

Daily Report Supplement

Sub-Saharan Africa

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Sub-Saharan Africa SUPPLEMENT

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Cameroon

* French Aid for Forestry, Government Training 90EF0164A Yaounde CAMEROON TRIBUNE in French 3 Nov 89 p 5

[Article by Jacqueline Abena Nlomo: "France Comes to the Aid of Cameroon;" first paragraph is CAMEROON TRIBUNE introduction]

[Text] Having helped in other ways, France has just granted Cameroon 165 million CFA francs to finance projects in the economic and social sectors.

Yesterday a small but not unimportant ceremony brought together Mr Badel Ndanga Ndinga, the state secretary; Mr Boulogne, the head of the French foreign aid mission to Cameroon; Messrs Minyono Nkodo and Mohamadou Talba, the general secretaries of MESIRES [expansion unknown] and MINPAT [expansion unknown]; plus chief MINPAT administrators in the office of the minister of territorial administration. The reason for this meeting: The signing by France and Cameroon, represented by Messrs Boulogne and Ndanga Ndinga, respectively, of three documents by which France will assist our country, in the form of a grant totaling 165 million CFA francs. As has been mentioned, 40 million of this grant will enable our government to strengthen the resources of the forestry training program at the Dschang university center. Thus France, which in its foreign aid has always given top priority to training and to help for training, will contribute to the emergence of one category of high-level technicians at one of our top training schools.

By the terms of the second document, the sum of 50 million CFA francs will be earmarked for research in the south of Cameroon. In that large yet poorly known forested region, this financial support will make it possible to devise a new methodology that might throw new light on our knowledge of the region and thus encourage sound use of the surface geological structures of its plateaux.

The biggest sum, 75 million CFA francs, is destined for use in the public finance stabilization plan. Indeed, this money will make it possible to strengthen the institutional capacity of the Cameroonian Government through a training program aimed at staff in the ministers' offices involved in the implementation of this plan.

Privileged Partner

In a short extemporaneous speech, after having welcomed the new head of the French foreign aid mission to Cameroon, Mr Ndanga Ndinga expressed the gratitude of the Cameroonian Government for the concern that the French Government has shown toward our country. "We appreciate it all the more," he added in substance, "as this financial support comes at a difficult time. And it is at just such times, as the saying goes, that you find out who your real friends are." The state secretary,

paraphrasing the head of state, went on to say that France is and remains a privileged partner of Cameroon. The grant received yesterday proves this. Cameroon, he stated, is ready, with French aid, to find solutions to its current problems.

For his part, Mr Boulogne, who is in familiar territory in Cameroon, having already worked at the Ministry of Cooperation on foreign aid issues, emphasized that the grants made to Cameroon demonstrate the concern his country has with helping Cameroon in areas of importance to it. And he added: "We have high hopes for these efforts and hope to expand them into all sectors of economic and social life."

Zaire

* Mobutu Interviewed on International Issues 90EF0127A Paris JEUNE AFRIQUE ECONOMIE in French Nov 89 pp 114-115

[Interview with President Mobutu Sese Seko by a JEUNE AFRIQUE ECONOMIE reporter in Paris; date not given]

[Text] At the conclusion of his trip to the United States, the Zairian chief of state spent several hours in Paris. It was on this occasion that he consented to receive us in his apartment on the Avenue Foch to assess his American trip and talk to us about his recent work.

[JEUNE AFRIQUE ECONOMIE] Mr President, you have returned from an official visit to the United States in the course of which you were able to speak before the United Nations. What was the aim of this trip?

[Mobutu] On the one hand, the aim of my trip was to deliver a message to the international community through the United Nations organization. It was a message of peace, a message of solidarity, and a message on the human and natural environment for the happiness and the progress of all of humanity, as we enter the 21st century. On the other hand, I was responding to an invitation from Harvard University to lecture at the political science department on peace and progress in Africa in general, and on southern Africa, in particular.

[JEUNE AFRIQUE ECONOMIE] On this trip you had the opportunity to propose a new plan to deal with the Third World's debt. Could you sketch for us the main innovative lines of this plan in relation to other plans that have already been put forth?

[Mobuto] My plan is a simple one. First of all, it is based on the solidarity of peoples. All peoples have contributed to the progress of humanity. Certain, more advanced, peoples have helped other, less advanced peoples. Today the development of Africa is a necessity by virtue of the international ethic. So rich countries must be moved by this feeling. If the rich countries consent to giving

resources for the development of our continent, we will be obliged to pursue the structural reforms necessary to sustain this development ourselves. Next I proposed that creditors grant debtors a decade-long grace period so they can breathe and pull themselves together. During this period, interest repayment will be converted into local currencies and used to finance the infrastructures necessary for the development of our countries.

These ideas can be expanded and refined by the experts. But I wanted to awaken the conscience of the international community to Africa's economic situation and to tell it that nothing that has been done thus far stands a chance of getting our continent on its feet. Note that the repayments in local currencies also affect capital debt.

[JEUNE AFRIQUE ECONOMIE] Was it possible for you to discuss this plan with your African peers, in particularly those of the Central African subregion who are a part of the Economic Community of Central African States (ECCAS)? How did they receive it?

[Mobuto] Certain ideas were exchanged and certain ideas are shared by many of my peers. They are all African leaders who are aware of the economic problems that grip us and they are all looking toward the future of our subregion, in particular, and of our continent, in general.

Besides, recently my colleagues from Cameroon, the Congo, and Gabon met to talk about the African debt [problem]. The problem is not in my peers' countries. The problem is in the rich countries.

[JEUNE AFRIQUE ECONOMIE] On this trip you were able to talk with George Bush. Beyond the policy questions that came up, did the debt problem seem to you to be a major preoccupation of the new White House chief?

[Mobuto] I think the debt problem is one of Mr Bush's preoccupations. The American administration has expressed its preoccupation with the debt [problem] through the Brady plan. The United States has also cancelled part of our debt.

[JEUNE AFRIQUE ECONOMIE] Did he pledge to support your plan and did he give it to a committee of experts to be studied in detail?

[Mobuto] I spoke with Mr. Bush about the appeal I made at the United Nations regarding the strategy we must adopt to help Africa to develop. I believe he gave the plan to his advisers to study.

[JEUNE AFRIQUE ECONOMIE] Your appearance at Harvard University provoked major demonstrations by members of the Rainbow Lobby, a well-organized group in the United States, who denounce the government of Zaire that is guilty, in their eyes, of a lack of democracy. How do you regard this frequently violent questioning of your policy?

[Mobuto] The right and the ability to denounce the Zairian Government belong to Zairians alone and not to

wage earners carrying banners who do not even know where Zaire is on the map of Africa. I must emphasize that the demonstrations organized by this group originate solely in a wish to harm Zaire systematically. There are no other reasons for the demonstrations.

[JEUNE AFRIQUE ECONOMIE] Last June the American House of Representatives voted to limit aid to Zaire to \$3 million. What reactions do you have to this decision?

[Mobuto] I have no comment on this subject. Neither three nor 100 million dollars are enough to develop Zaire. This is our deep conviction. And what is at stake, to be precise, is military aid, the amount of which for all of Africa is clearly going down.

[JEUNE AFRIQUE ECONOMIE] You have made many trips to the United States and your ties to President Bush are old ones, since he paid you a visit when he was still only vice president. Are we witnessing a reconcentration of Zaire's international relations? Are we witnessing a reconcentration in favor of North America?

[Mobuto] Zaire is an unaligned country, free in its acts and spirit, as you know. There is no reconcentration. The United States has been a friend since we achieved our independence. We have close bilateral relations and this is equally true of organizations such as the United Nations and the Bretton Woods institutions, with which we have implemented structural adjustment programs. That is why there is a regular exchange of visits.

[JEUNE AFRIQUE ECONOMIE] One year ago a serious crisis erupted between your country and Belgium. Now the two of you are talking of conciliation and negotiation. An accord will be signed between now and the end of the year. As far as Zaire is concerned, what was the background to this crisis and does this background prefigure a new form of cooperation between the two countries?

[Mobuto] An accord has been in effect between Belgium and Zaire since 27 July 1989; it was reached in Rabat, Morocco. What we are about to sign is a new general cooperation treaty. The background is still a mutual awareness of the sovereignty of each partner and the change in thinking that results from this. The Belgians have been innovative in the matter of debt relief and we paid them well-earned thanks from the podium at the United Nations. This in itself is a new form of cooperation.

[JEUNE AFRIQUE ECONOMIE] Besides the debt [problem], you continue to fight for higher prices for tropical raw materials. For Zaire, and more generally for Africa, do you have specific proposals to submit to the international community to stabilize prices of raw materials or to limit the effects of drastic changes?

[Mobuto] The entire issue of prices for raw materials from developing countries is still there. Furthermore, it is the main reason we have problems repaying our debts and financing investment projects, because our export receipts are always declining. Every solution that has been tried thus far is a palliative that has not solved the problem. This is why, at the UNCTAD [United Nations Conference on Trade and Development], we have always called for an international conference between us and the rich countries.

[JEUNE AFRIQUE ECONOMIE] You have just signed another [agreement] with the IMF after denouncing the "dog treatment" this institution has inflicted on your country. Is this to say that the structural adjustment programs have changed or that "necessity rules"?

[Mobuto] We have denounced and we continue to denounce any program whose aim is debt repayments at the expense of the growth of our economies. At the 1988 Berlin meeting, the leaders of the IMF and the World Bank used this same language, which we found to be conciliatory. We renegotiated a new structural adjustment program keeping in mind the aim of growth as an objective to be attained. Otherwise, we would still be ready to denounce it.

[JEUNE AFRIQUE ECONOMIE] At the beginning of 1993, Europe will turn its wish for economic union into a practical reality. Do you view this as a threat or as an opportunity for an Africa that remains basically disunited?

[Mobuto] Africa can have no illusions that it can halt the European train. The 1993 objective may be an opportunity for Africa if a united Europe adopts an attitude of genuine solidarity towards Africa.

[JEUNE AFRIQUE ECONOMIE] Henceforth, the name of your village will be linked to the accords bearing the same name on the subject of Angola that were signed by President Jose Eduardo dos Santos and the leader of the National Union for the Total Independence of Angola (UNITA), Jonas Savimbi. Last June's accords have basically not been turned into reality. How do you think the Angolan crisis will turn out?

[Mobuto] I see the Angolan crisis coming to an end after there has been sincere and constructive dialogue begun between the two parties and when foreign influences and interventions in Angola are no longer an issue. No one wants war any more. The Angolans are Africans and nothing else. They are destined to agree about the return of peace to their country and about its future.

[JEUNE AFRIQUE ECONOMIE] The situation in South Africa, they say, will change unavoidably.

Namibian independence is one specific fact. In your estimation, won't this new fact change the course of events and blur north-south exchanges in favor of south-south exchanges, given what South Africa's potential is?

[Mobuto] It is certain that if the apartheid syndrome disappeared from South Africa, the central and southern regions of Africa would form a major economic market like the one now prefigured by communications networks, commercial exchanges, energy infrastructures, etc.

[JEUNE AFRIQUE ECONOMIE] Then won't this possible continental reconcentration on South Africa provide Africa with new ways of getting out of its economic impasse?

[Mobuto] Africa's development will come about from the efforts of all Africans and the solidarity of all favored countries. I do not believe that South Africa's potential alone would be adequate. Economic development is not a simple arithmetic problem. Its complexity requires efforts to be made within Africa and from the outside.

[JEUNE AFRIQUE ECONOMIE] In France in early October you took part in the dedication of the new church of the Benedictine abbey of Barroux, which is a waditionalist Catholic community. How do you explain this move?

[Mobuto] I was there because the Benedictine abbey of Barroux paid me the honor of inviting the chorus of the crypt chapel of Marie la Misericorde in Gbado-Lite to sing at that mass. There is no other special explanation. Save that I am a Catholic Christian.

[JEUNE AFRIQUE ECONOMIE] There is much talk of your plan to build a major piece of religious architecture in your native village. Given today's economic climate, what is the significance of this project?

[Mobuto] There is a plan to build a new cathedral in Kinshasa. But it has not yet appeared. That's the truth.

[JEUNE AFRIQUE ECONOMIE] In 1991 your country will host the fourth Francophone summit meeting. What place does this movement, which has often been criticized for failing to produce anything concrete, occupy in your foreign policy?

[Mobuto] I have already professed my faith in the Francophone cause. This community is able to accomplish major projects. It has a certain dynamism. It must be given time so they can mature.[as published] I hope Kinshasa in 1991 will contribute towards this goal.

Kenya

* Foreign Minister Defends One-Party Rule 34000323B Nairobi KENYA TIMES in English 8 Dec 89 p 4

[Text] The Minister for Foreign Affairs and International Cooperation Dr Robert Ouko yesterday strongly defended the one party system in Kenya and told the critics of the system to concentrate their efforts elsewhere. Dr Ouko said that critics of the system had no basis for their criticism other than for the reason that the system had evolved in an African country. The minister said that Western nations had for long taken African nations for a ride to act as their babies saying that Africans were not fed up with such rules. He said that the same people had wanted Africans to either be pro-East or pro-West yet Africans had never been involved in the formation of the constitutions that governed such systems. Dr Ouko was giving his speech during the ongoing (Kanu) Kenya Africagn National Union secretariat Seminar at Limuru Conference Centre yesterday. The conference is theme of "One party system in Kenya." Said he: "All countries of the world are different in historical background and tradition and there can be no uniformity in political organisation." He warned the Western media that Africa was no longer taking kindly their "unwarranted criticism" which had been levelled at African states once they embarked on a major policy that never took their interests at heart. "Those yelling over our recently introduced queueing system are doing so because this was not done in their own country. For how long shall we continue copying and accepting everything Western?" he said. He argued that those states that believed in multiparty systems derived their argument from the conviction that decisions had to be arrived at only through disagreement with other parties. But in Kenya, Dr Ouko said, the "one party system was derived from the cultural heritage of African people which stressed consensus." He said that elder's decision were never contested since they were fair and represented the wishes of the majority. That was the base of the one party system in Africa, he said. Dr Ouko recalled that when Kenya attained her political independence, people were divided along ethnic and class lines due to the divideand-rule policy of the whiteman. To stamp out such mentalities, the people opted for a one party system. Steering the discussion, the chairman of the session Mr S.M. Mwenesi remarked that "Kenyans were so free that they were even free to say that they were not free. "Meanwhile, political parties in democratic societies have a role to gather and gauge public opinion, and from this, formulate policies and programmes that reflect the wishes and aspirations of the people, the Speaker of the National Assembly Mr Moses arap Keino said yesterday. "In most democratic systems, parties are expected to evolve an almost impeccable machinery by which to sensitise, mobilise and harness mass opinion," he said. Mr Keino made the remarks in a key speech read on his behalf by the Clerk to the National Assembly Mr J. Masya, during the ongoing Kanu Secretariat Seminar at

Limuru Conference Centre. The conference was officially opened on Tuesday by the party National Carirman Mr Peter Oloo Aringo. Mr Keino noted that if the party had to formulate policies that reflected the aspirations of the entire public, the party had to "identify, attract, recruit, and retain suitable personnel" both to run its secretariat and public offices. Mr Keino, who was discussing the theme "The law governing political parties in Kenya," said that even if various personalities in a political party and varied views, there was need for the party to eventually solidify those views to be acceptable to the public.

* Church, Government Spar Over Political Reform 34000323A Nairobi THE WEEKLY REVIEW in English 15 Dec 89 pp 6-7

[Text] The debate did not get out of hand this time but the political responses to the proposal by the National Council of Churches of Kenya (NCCK) that the electoral system be changed left no doubt that the political establishment will not go back on the changes or allow public debate on the issue. The proposal also renewed the long-held suspicions with which the state has continued to view the NCCK since it first opposed electoral changes enacted in 1986 that provided for preliminary voting by queuing. For the best part of last week, politicians and church leaders threw verbal missiles at each other over the proposal and by the end of the week, the slanging match had degenerated into personal attacks on the three most outspoken clerics of the Church Province of Kenya (CPK) bishops, the Rt. Revs. Alexander Kipsang Muge of Eldoret, David Gitari of Mt. Kenya East and Henry Okullu of Maseno South-all of whom were accused of using the pulpit to dabble into politics. The NCCK, on its part, faced the old accusation of acting at the instigation of "foreign masters" to provide an unofficial opposition to government policies.

The churchmen, meanwhile, raised interesting arguments and questions on the queue-voting. Muge charged that queue-voting had been abused so blatantly as to destroy all democratic values and challenged the political establishment over what he claimed were unfulfilled promises that the system would be streamlined to ensure that Kenyans who could not stand on queues would vote. He cited a promise that all groups exempted from queue-voting such as the armed forces, church leaders and senior civil servants would vote by proxy as one promise that the proponents of quewing had not fulfilled. He also took the politicians to task over alleged rigging in last year's elections and subsequent by- elections in Kiharu in Murang'a as well as Nyeri, Nandi and Kirinyaga districts, where there had been public outcries. Muge, whose rejoinder was the most vitriolic, was particularly critical of the 70 percent unopposed nomination by which several MP [Member of Parliament]s went to parliament without going through the secret ballot. He charged that the provision was the most unrealistic and undemocratic as it allowed people to go to parliament

with minority support. "I will be ready to compose a song in praise of Kanu if it will scrap the 70 percent requirement," Muge observed.

The politicians fell back on the familiar, claiming the opposition by the NCCK was ill-timed, uncalled for and embarrassing. They accused the NCCK of opposing the government for the sake of it without offering any constructive advice to the government. Politicians saw into the NCCK proposal a deliberate strategy by the church body to take on the government in order to gain sympathy abroad and get foreign funds. One politician who saw it that way was a minister for state in the office of the president, Mr Burudi Nabwera. He told parliament on Wednesday last week that churchmen in Kenya delighted in "feeding" lies to foreigners to get money. "The trouble with the bishops is that they do not visit African countries; they go to Canada or America where they give lies and are given money to come and do their evil things," he said. And, falling back on the old argument that churchmen showed less concern over more important issues, Nabwera, for instance, accused the NCCK of having done nothing, "when the banks were collapsing and milking the small depositors. Why did they not talk of the exploitation of tea and coffre farmers?" Nabwera queried. He then wondered why bishops delighted in attacking the government instead of celebrating the peace and stability in the country since Independence. The rest of the MPs followed suit, accusing the NCCK of undermining the government and the ruling party before winding up with an appeal to the government to investigate the church body to determine those influencing it to talk on social and political issues. Some MPs even went as far as claiming that the NCCK was harassing the government.

The parliamentary onslaught on the NCCK reached its peak with vice- president Prof. George Saitoti challenging churchmen to come out in the open and form an opposition party. "We reject ellegations made by illinformed and ill-intentioned elements who pray for disunity in the country behind disgraceful organisations that brazenly expose internal matters of our country to foreigners," Saitoti said last week. While there was no reaction to Saitoti's challenge, the question forming another party could only have been rhetorical, given the fact that Kanu is now the sole political party allowed in Kenya by law. Out of parliament, the NCCK faced further attacks from the minister for energy, Mr Nicholas Biwott, and his counterpart in the ministry of culture and social services, Mr James Njiru. Biwott advanced the view that the NCCK was suffering from a colonial hangover besides serving the interests of foreigners. He singled out CPK prelates, floating the view that their criticism of government policies often came when they were preparing to go abroad on missions to solicit funds "to sustain them." Biwott then called on Kenyans to ignore the views of CPK bishops because they represented nobody. "The likes of Muge and Okullu should not be listened to," Biwott advised Kenyans. To support his contention that the CPK was a colonial denomination, Biwott cited the fact that the archbishop's house was formerly occupied by the colonial governor of preindependence Kenya.

Another voice in Biwott's line of argument was that the Cotu secretary- general Mr Joseph Mugalla who claimed the NCCK and CPK were nursing colonial hangovers and pursuing confrontation with the government to appease the same "colonial people who once had a stake in this country." On his part, Njiru introduced another angle to the NCCK proposal, claiming it was aimed at embarrassing the government as it came at a time when Kenya had just hosted eight central and eastern African heads of state to a summit of the Preferential Trade Area (PTA) in Nairobi. Njiru then we: for Gitari-with whom he has had a long-running confrontationchallenging Gitari to quit the pulpit if he is nursing illusions of forming an opposition party. Gitari was then lumped together with Muge and Okullu and challenged to resign their church leadership and join politics. The challenge was offered by an assistant minister for regional development and MP for Butere, Mr John Okwara. The MP, who had kept a low profile since his election late last year, launched a diatribe at a fundraising meeting in his constituency, telling his audience that the three prelates had concentrated so much on political issues that they were no longer able to give spiritual guidance to their flock. Like his fellow politicians, Okwara claimed church leaders were out to cause chaos in the country "by criticising popularly elected" leaders. "Let them resign and seek parliamentary or Kanu seats if they want to prove that they are popular inste d of hiding behind the church," Okwara said.

The resignation calls by Okwara were dismissed later by the three bishops who contemptuously called Okwara a "non-entity" who is views were representative of no-one else's. The churchmen said even his election to parliament was questionable. "Who took Mr Okwara to parliament? queried Okullu, "It is ridiculous that a non-entity like Okwara should tell bishops to resign." Okullu challenged Okwara to "first of all convince all of us that he was elected to parliament" and Muge added the stinging rejoinder: "Mr Okwara should know that everyone in Kenya knows that there was an outcry in Butere constituency after the November 1988 by-election" at which he was elected, suggesting that Okwara made it to parliament through rigging.

Meanwhile, President Daniel arap Moi took issue with churchmen for using occasions at which foreigners were in attendance to say bad things about their own country. The president did not elaborate, but he might have had in mind the presence of former Zimbabwean President Canaan Banana at the NCCK meeting that proposed changes in the electoral system. He added his voice to earlier calls to CPK bishops, Okullu, Muge and Gitari to quit the church and join politics if that was where their interest was.

The fallout was not only limited to politicians. A few church leaders known to have differed with NCCK, such as Mr Waira Kamau of the African Independent Pentecostal Church of Africa, also called for the dissolution of the NCCK on the grounds that it was being used by foreigners to destabilise the government.

Meanwhile, Okullu found himself stepping on sensitive toes on the home front when he decried what he described as rampant poverty in the area and challenged leaders to work out ways of uplifting the standards of living of their people. Okullu's challenge came at a meeting of the Lake Finance Company, in which he is chairman. His views were immediately challenged by the MP for Rangwe and an assistant minister for commerce, Mr Raymond Oloo Ndong, who countered that the bishop's claim could easily incite people "against their popularly elected government." Contrary to Okullu's stand, Ndong said, the people of Nyanza had made tremendous achievements in improving their standards of living as seen at the recent fund raising meeting presided over by President Daniel arap Moi in South Nyanza which raised a massive shs. 73 million. "Where would such an amount come from if the people of Nyanza are poor?" Ndong wondered. He then directed his attacks at church leaders in general, saying "the people of this country are getting tired of the relentless attacks on the government and its leaders by CPK bishops." Kenyans, he want on, expected Okullu, Gitari and Muge to change their attitud; in the next decade. As for Okullu, Ndong reminded him that he had lived in Uganda "where peace was unheard of" and advised Okullu to be grateful.

* Parliament Approves Extension of Oil Pipeline 34000322A Nairobi THE WEEKLY REVIEW in English 15 Dec 89 p 25

[Text] The state-owned Kenya Pipeline Company is set for a major expansion following the approval by parliament last week of three foreign loans to extend the oil pipeline from Nairobi to Kisumu and Eldoret and later to Malaba on the Kenya-Uganda border. In the first loan, the House approved a government guarantee of a loan of KL63,695,000 (US\$58,355,640) from Export Import Bank of Japan. The money will be used for pipeline extensions. It is planned that the Nairobi-Nakuru pipeline will fork at Sinedet for one branch to continue to Kisurau and the other to Eldoret and later to Malaba. The pipeline will carry petroleum, kerosene and gasoil for the western Kenya market. Transportation of petroleum products by underground pipeline has been found to be the most efficient and safest. An assistance minister for finance, Mr Mathias Keah, told parliament that the Kenya Pipeline Company had entered into an agreement with Messrs NKK of Japan for the supply of goods and services for the project. He said that the loan will carry a maturity of 13 years, with 10 years repayment period and 3 years of grace period. It will carry an interest rate of 5.7 percent in yen rates or 8.3 percent in U.S. dollars.

Parliament also approved another loan of KL23,261,655 (US\$21,311,640) from Directiones Des Relation Economique Exteriore of France for the same project. The loan will mature in 13 years and has a grace period of 3 years and a repayment period of 10 years. The company's third loan of KL47,900,171 (US\$43,884,720) will be advanced from the Export Development Corporation of Canada. Mr Nicholas Biwott, the minister for energy, said Kenya Pipeline Company today earns US\$4 million a month in foreign currency. He said the company employs 600 employees and will take another 200 when the planned expansion is completed.

Meanwhile, parliament also approved guarantees of a loan of shs. 57 million, (Belgian Francs 100 million) from IndoSuez NV Bank of Belgium for the power company to enable it to buy electric transformers from Pauwels International NV of Belgium. Keah told parliament that the company needed the money to buy the equipment to enable it to stabilise electricity supply in Nairobi. He said the loan will be repaid in 13 years at an interest rate of 2.6 per annum. Biwott said that with the installation of the equipment, the frequent power blackouts in Nairobi would cease, adding that the problem came about because the equipment already in place was installed for a much smaller demand load. Parliament also approved government guarantee of a loan of shs. 133 million from the Commonwealth Development Corporation to the South Nyanza Sugar Company (SONY). According to Keah, the money will be used to rehabilitate the machines and nuclear farms of Sony. Sony was established in 1977 and commissioned in 1979 to reduce the country's sugar imports by producing 60,000 tonnes of sugar annually. He said the company did not perform well and Booker Agricultural International took over its management in 1987. The loan will be repaid in 13 years.

* Country's Role in War on AIDS Cited 34000325A Nairobi THE WEEKLY REVIEW in English 15 Dec 89 pp 19-20

[Text] The worldwide epidemic of the Acquired Immuno-Deficiency Syndrome (Aids), a veritable latter day plague, has struck at the very core of the social fabric of modern mankind and taxed his ingenuity to distraction. It is now estimated that more than 600,000 people have fallen victim to the killer syndrome worldwide while between 5 and 10 million more are estimated by experts to be carriers of the Human Immuno-Deficiency Virus (HIV) which causes Aids. At the last count, several months ago, Aids had infected more than 6,000 in Kenya alone and around 200,000 people, or nearly 1 percent of the country's entire population, were reported to be carriers of the virus and likely to develop symptoms of the disease within the next few years. One of the most appalling things about Aids is that it strikes at the most economically, socially and sexually active members of human society, thus threatening the very existence of mankind. It is transmitted through sexual contact with a virus carrier, blood transfusion and from mother to child.

The first case of Aids in Kenya was diagnosed in 1984 in an indigenous Kenyan who had travelled outside the country. From then on, the disease has spread by leaps and bounds nationwide. The majority of Aids cases (86 percent) have, however, been reported in three provinces, Coast, Nairobi and Nyanza. The rapid spread of the disease in Kenya prompted the government to establish a high level National Aids Committee in 1985. By April, 19187, the committee had already developed a national medium-term plan for the prevention and control of the Aids epidemic. At a meeting of all interested parties in July, 1987, it was agreed that, at the end of the first year of operation, the ministry of health would undertake a comprehensive review of what had been established as the National Aids Control Programme with massive financial and technical assistance from the World Health Organisation (WHO) and a number of donor countries.

In order to be able to contain the rapidly spreading disease, the national committee realised that it had to take a multi-pronged approach in what resembled a crash programme on Aids. 7 op on the agenda for action was an education and information campaign to acquaint the Kenyan public with the dangers of the Aids epidemic and ways of preventing the disease from spreading. It was recognised early that, in Kenya as in other African countries, Aids is mainly a sexually-transmitted disease. affecting mostly promiscuous heterosexual persons of between the ages of 15 years and 50 years. Blood screening was introduced immediately as a measure to prevent the disease from spreading through blood transfusions. Other activities of the national Aids control programme have been epidemiological research and control, clinical isolation, treatment and care for Aids patients, and laboratory research and services. With great speed and without much publicity, scientists and researchers at the Kenya Medical Research Institute (KEMRI) have been working round the clock in efforts to discover preventive and curative drugs for Aids. The result of their work was last week's sensational announcement to the effect that Kemri had discovered a still secret drug that was able to reverse the symptoms of Aids. It was revealed that clinical tests on at least 15 patients had shown the efficacy of the drug.

After a number of false starts in the search for palliative and, or curative drugs by several countries, the public response to the announcement was a curious mixture of euphoria and sceptism. After all, some of the world's best-equipped and most prestigious medical and pharmaceutical laboratories, especially in the advanced industrial countries, have been working without much tangible success for a number of years to find an Aids cure. Even as Kemri announced its discovery, a large number of world class scientists and medical researchers, were still puzzled by the lack of progress in finding a vaccine or a curative drug against Aids.

The giant worldwide effort to find a cure or a vaccine against Aids is a race against time. Epidemiology experts at the WHO estimate that, without a cure, the number of Aids cases around the world could explode into several millions within the next five years. All HIV carriers who have yet to develop deadly symptoms of the disease are its potential victims. Although a great deal of research has been going on around the world into the disease and its possible origins, there is still much uncertainty surrounding it. Many theories, such as that the HIV came from the green monkey in Africa, or that the virus was a result of biological warfare tests gone wrong in one of the advanced nations, were bandied about with abandon earlier in the decade but later discarded as having no scientific or factual basis. Other factors of uncertainty accrue from the fact that the period it takes between the time a person is infected with the virus and the time he or she develops symptoms of Aids varies widely from one person to another and is anything between a few weeks and up to 10 years or more and thee is the fact that the HIV is an extremely potent and adaptable virus that is able to mutate easily and defeat all efforts to find a cure or a vaccine. So far, two main strains of the virus have been identified and isolated. They have been named HIV 1 (the more common one) and HIV 2 which is mainly found in West Africa. There is still a distinct possibility that other strains may exist or that strains so far identified may mutate further and pose even greater problems for drug developers.

While the spread of Aids in the advanced countries of Europe and North America has mainly been through homosexual contact, intravenous drug abuse and blood transfusion, in Africa, and in a number of other developing regions of the world, the disease has spread mainly through normal heterosexual contact. This has occasioned innuendo and charges of promiscuous sexual behaviour directed at Africans by commentators in the west and elsewhere and which smack of racist stereotypes. The spread of Aids through heterosexual contact has had much more serious consequences for Africa's population than is the case in other parts of the world where it is confined largely to discrete social groups within mainstream neterosexual society.

Although Africa's population has increased greatly over the past few decades due to high birth rates, reduced child mortality, improved health services, greater longevity and a reduced death rate, the Aids pandemic and other natural and man-made catastrophes such as drought, famine, was poverty and general decline in standards of living, already cause some experts to revise their estimates regarding Africa's future population growth rates. Many of the victims and carriers of Aids in Africa are in the prime of life, the most economically and socially productive segment of society. While other continents such as Europe, North America and, to some extent, Asia, are grappling with modern problems of the technological revolution, environmental pollution, population decline (due to successful family planning) and political change, Africa still has to fight for its very survival against a background of economic, social and political backwardness, crippling foreign debts, civil wars, natural catastrophes and diseases such as Aids which threaten the very existence of society.

Aids is a relatively new disease, but its impact on mankind has been profound. The massive search for ways and means to combat the disease is in a way a measure of the horror that is Aids.

Steady progress is being made in trying to find preventive and curative drugs for Aids, but it is a painstakingly slow process which may take years yet, while hundreds of thousands of people suffer and die. So far, the only anti-Aids drugs on the market, such as Azidothymidine (AZT) and CD4 are management, or palliative, drugs rather cures. In its announcement last week, Kemri emphasised that the drug it had discovered was only effective in treating symptoms of the disease and thus prolonging the lives of Aids patients rather than providing a complete cure. Although it does not present a cure for Aids, the drug discovered by Kemri renews hope for many current and potential victims of the killer disease that a complete cure may not be long in coming. That is the real significance of the announcement by Kemri, which has gained immensely in prestige by stealing the thunder from much better-funded, betterequipped research institutions in the advanced countries. Aids victims in Kenya must e hoping that the drug will be cheaper and more readily available than other drugs from abroad.

* Country's Financial Sector Growing Rapidly 34000324A Nairobi KENYA TIMES in English 12 Dec 89 p 28

[First paragraph appears in box]

[Text] Nixon Kariithi evaluates the performance of the financial sector which has shown a marked upward trend with bright hopes ahead following structural changes aimed at streamlining financial operations for the benefit of the economy at large.

The prevailing favourable investment climate and good growth which Kenya's economy has been enjoying over the past 26 years, has contributed to the development of a strong and sound financial sector.

Throughout this period, the sector has maintained an undisputable reputation of being one of the fastest expanding sectors in the economy. Its contribution has been clearly defined in the provision of credit for investment in manufacturing, real estate, commerce and cottage industries.

The road to development in the financial sector has been marked with several encouraging milestones which have seen the sector grow both in terms of the volume of business handled and the scope of operations. While the country only had a handful of commercial banks and other non-bank financial institutions at independence.

the number has grown rapidly over the years to 23 banks and about 55 non-bank finance houses.

The volume of deposits held by the sector has also been boosted tremendously. By September this year, deposits in commercial banks stood at Sh42.7 billion while those in non-bank finance houses reached Sh23.1 billion. Credit provision during the period stood at Sh40.9 billion and Sh22.3 billion, respectively.

But the financial sector has set its eyes on more than just expanding the volume of business transacted and the area of operations. Increased awareness and sophistication of banking operations in international banking circles have triggered a wave of competition as local banks went on the onslaught to provide advanced banking facilities.

The ensuing cut-throat competition has seen three basing banks wage raging wars against each other in a bid to win more customers through the introduction of attractive consumer packages. Such new banking schemes include special current and savings accounts, guaranteed cheques, service cards, and the most recent Automatic Teller Machines (ATMs).

Alongside these packages, several local banks have substantially increased their capitalisation base through offers of large volumes of shares to the public. The additional capital has been swiftly invested in rigorous expansion programmes as well as in the undertaking of large and more risky investments.

Favourable trading and increased public confidence in the financial sector have also contributed to an insatiable demand for the shares of public quoted financial institutions in the stock exchange. The result is high share yield and rapid appreciation of the share prices at the stock mart.

Since the financial sector strongly influences the development of other sectors as well as the overall economic growth, the Government has closely monitored financial development by regulating the expansion of money supply and domestic lending. The overseeing of the sectors operations also arises from the lessons learnt during the 1986 banking crisis which saw the local banking sector on the brink of collapse.

The Government has reviewed the Banking Act in a move designed to institute strict policy in the industry. Last month, the new Banking Act, 1989, came into force ushering in a wave of changes in the nature of banking operations which are aimed at ridding the sector of vulnerability to problems.

Other new developments include a Deposits Protection Fund for the safeguarding of deposits in the institutions, and an amendment to the Insurance Act and the Building Societies Act. The general objective of the enactment of the Insurance Act and the amendment to

the legislation governing building societies was to provide for more secure institutions and a stable financial sector.

The new Banking Act awards wide-ranging powers to the Central Bank of Kenya, in its capacity as the watchdog of the financial sector and the lender of the last resort. It further outlines policy on restriction of certain types of banking business, and measures to regulate the operations of mortgage financial institutions.

The Act will, however, place the financial sector on a fast lane to increase turnovers and faster development which is an essential input for the development of other sectors.

* Role of State Coffee Cooperative Appraised 34000324B Nairobi KENYA TIMES in English 12 Dec 89 pp 35, 40

[Article by J.G. Mwirigi]

[Text] The long struggle by Kenyans for political independence which culminated into the country becoming a republic on 12 December 1964, was closely associated with the struggle for the right to land ownership and the right to produce commercial and subsistence crops by Kenyans of African origin.

Before independence, the lucrative coffee farming was preserved exclusively for colonial settler farmers. Africans were deliberately prevented from producing coffee on allegation that they neither had nor could master the technical knowhow required in coffee husbandry.

White settler farmers also feared that if allowed to grow coffee, Africans would be unable to control coffee pests and disease which would then spread and contaminate settler farms. However, the main aim was to prevent Africans from benefiting economically by growing coffee which was a strong cash crop that was continuously gaining prominence in the international markets.

Following vigorous agitation by Kenyan freedom fighters, Africans were first allowed to grow coffee through co-operatives in 1935 in Meru District and later in Kisii District.

Even then, planting of coffee by indigenous Kenyans was rigidly controlled by colonial agricultural officers.

Following the attainment of independence by Kenya in 1953 and celebrations of the first Jamhuri Day in December, 1964, the founding father of the nation the late President Mzee Jomo Kenyatta and now his successor who is our present head of state, President Daniel arap Moi, encouraged active participation by all Kenyans in the production of coffee and other cash crops.

Although coffee was only introduced into Kenya by European missionaries in 1893 at Kibwezi and Bura and started being produced commercially in 1901 at Kikuyu near Nairobi, it expanded quickly and today it is a

leading cash crop which earns the country well over 30 percent of its foreign exchange.

The rapid expansion of coffee production by plantations and small holder farmers through co-operatives especially in the post-independence period is also partly owing to the efficiency of the services and facilities provided to Kenyan coffee farmers by the Kenya Planters' Co-operative Union (KPCU).

KPCU was formed by Kenyan coffee farmers themselves out of their own initiative in 1937. The objective was to establish a strong organisation that would purchase agricultural fertilisers, spray chemicals, herbicides, machinery and other inputs in bulk cheaply for redistribution to farmers at the lowest price at the time of need.

Owing to the peace and stability established in Kenya by the late Mzee Kenyatta and continued by President Moi, the KPCU, like all other economic institutions, has grown rapidly and diversified its services and facilities to all Kenyan coffee farmers. KPCU has never lost sight of the original objectives that lead to its formation. Provision of efficient, convenient and adequate services closest to farmers at the lowest cost has been its guidance principle.

KPCU provides both the co-operative and plantation farmers with extensional advice on whole range of coffee husbandry activities including, seed selection, production and spraying.

In addition to extensional services, KPCU provides farmers with local purchase orders (LPOs) for procurement of agricultural inputs on credit from appointed stockists in all coffee growing zones. The organisation also gives members short-term credit to enable farmers to hire labour for picking coffee, to hire transport and to finance general coffee farm activities.

During the period after independence and especially in the last 11 years when President Moi has been leading Kenya, those services of the KPCU have contributed considerably to the rapid increase in quantity and quality of coffee.

That has been possible owing to the peace and stability that has been guaranteed in Kenya by President Moi. Farmers have received encouragement from the President's fatherly guidance of the industry and the country's economy.

The KPCU has built rural-based transit coffee stores for coffee farmers at Kisumu, Bungoma, Nakuru, Meru, Nanyuki, Sagana and Dandora. All the stores which have been built during the post-independence period and expanded during President Moi's leadership provide adequate room where farmers coffee is held in transit before onward railage to Nairobi for milling, grading, and sorting. In accepting and handling coffee, the KPCU treats all farmers equally whether from co-operatives or plantations.

KPCU has perfected the processing of coffee produced by co-operatives and plantation coffee farmers during the post independence period. The organisation has striven to acquire and apply the latest technology in coffee processing.

Owing to the encouragement by President Moi, KPCU has established electronic coffee sorting machines which identify and isolate visible and non-visible quality beans.

The machines have been to a great extent instrumental for the good reputation of Kenya coffee in the world market. They help to elevate the quality of Kenya coffee by two to three standards.

In financial terms, the improvement is up to Sh600 per tonne. The organisation has also taken a lead within Kenya's agricultural sector by establishing modern computers for storage and reproduction of information on coffee deliveries by farmers and the subsequent payments. The computers were recently expanded. Terminals were established in all rural KPCU branches for closer services to farmers.

To serve Kenya coffee farmers with increased efficiency in future, KPCU plans to establish a new coffee mill at Dandora with a capacity to process 50,000 tonnes of coffee annually.

Kenyan coffee farmers who are members of the KPCU have already ratified the project and they will raise the funds through a development levy.

KPCU also plans to establish a plant for recycling coffee husks into organic fertiliser in future.

As Kenyans celebrate Jamhuri Day today, coffee farmers look into the future with confidence and increased aspirations to continue improving production and quality of coffee.

On its part KPCU will rededicate itself to continue improving the efficiency of its services and facilities to Kenyan farmers.

* Produce Exports Suffer Sharp Downturn 34000322B Nairobi THE WEEKLY REVIEW in English 15 Dec 89 p 27

[Text] The future of the horticultural industry in Kenya, which only a few years ago appeared exceedingly bright, is now beginning to look a little cloudy. Other countries have started to eat steadily into Kenya's traditional markets. There is an acute shortage of cargo space for transporting the horticultural products to European markets and, a little surprisingly, locally produced packaging materials are turning out to be substantially below European standards and unfit for holding produce meant for those countries. A recently published industry report has raised several basic questions about the future operations of the industry and no doubt left quite a few horticultural farmers in a lingering state of uncertainty.

The report, which has been prepared by a special committee of the Kenya National Chamber of Commerce and Industry, states that Kenyan produce has already lost substantial markets in Europe and that there are no clear indications yet that the trend may be reversed in the near future unless several major measures are adopted immediately. Among these measures should be the complete mobilisation of all resources to help make the industry viable. More specifically, it recommends that pre- cooling facilities should be provided for smallscale farmers so that the produce does not waste before it reaches its destination. Also of particular concern to the committee was the issue of the quality of packaging materials supplied to local exporters. The locally produced packaging material reportedly does not meet international standards in such areas as vapour pressure, temperature, relative humidity, atmospheric composition and exposure to light. Because of the direct effect of temperature levels on the rate at which fruits ripen, the report lays a lot of emphasis on the importance of manufacturing packaging containers that can make it possible for internal temperature levels to be monitored and controlled.

On the state of demand for horticultural products in Western Europe, Kenya's principal market, the report says that in 1986 the region imported about shs. 19.8 billion worth of tropical and off-season fresh fruits and vegetables from the developing countries. The aggregate demand has apparently been expanding steadily over the last two decades because of consumer interest in buying a greater range of produce as well as the fact that many consumers now try to have fresh fruit available all year through regardless of weather conditions in their own countries. But to satisfy this ever rising demand, several countries in southern Europe and the Midd'e East, particularly Italy, Spain Portugal and Israel, have began to produce large amounts of temperate fruits and vegetables, thus making it unnecessary for Western Europe to look to countries such as Kenya for its needs. Among some of these temperate zone products are fruits and vegetables like asparagus, aubergines, green beans, capsicums, melons, strawberries, apricots, peaches and plums. Kenya's position has further been eroded by the fact that these competing countries are much nearer the Western market than Kenya and so their corresponding unit freight charges are much lower.

According to the report, Kenya has already lost out to Zambia and Zimbabwe in the market for mange-tout, to Spain and Cyprus for courgettes and capsicums, to Zimbabwe for passion fruit and to South Africa, Israel and Australia for avocados. The surest way out of this competitive onslaught, the report suggests, is for Kenya and other developing countries to concentrate on the production of tropical fruits and vegetables that cannot so easily be produced in South Europe and the Middle East. Such products include mangoes, chillies, limes, papayas, passion fruit and pineapples. The market for these products seems to be virtually assured. In a recent survey of 10 western European countries, conducted by

the United Nations Conference on Trade and Development (UNCTAD), it was found that the importation of avocados grew by 75 percent between 1982 and 1986 while the importation of pineapples went up by almost 100 percent over the same period. Imports of papaya went up by a whopping 260 percent over the same period. The report emphasised, however, that lack of adequate cargo space was one of the most serious problems facing the industry and that if a way is not found round it, all the other efforts made to sustain the industry might end up in the drain.

* Country's Industrial, Export Potential Rated 34000324C Nairobi KENYA TIMES in English 12 Dec 89 p 29

[First paragraph appears in box]

[Text] Daniel Kamanga writes that Kenya has a strong existing industrial and export potential which if fully exploited may propel the country into a leading African industrial nation and provide the economy with a vital shot in the arm.

To quote Vice-President and Minister for Finance, Professor George Saitoti, "Kenya has the potential of becoming the Singapore of Hongkong of Africa in the next decade if the existing industrial and export potential is fully exploited." This is a challenge that Kenyans—as they celebrate Jamhuri Day today—should heed with increasing seriousness.

Virtually every Government machinery is geared towards the attainment of targets clearly stipulated in the current 1989-1993 Development Plan. With "Participation for Progress" as the guiding theme, the 90s are, no doubt, the years expected to test the knack of the Kenyan economy.

President Moi, in the past, has clearly steered the economy through many trying moments. On the issue of investments, the President has been on record as having challenged Kenyan businessmen to move out and invest abroad. It is a challenge that spells out the seriousness with which he perceives the future.

Last August, he named a powerful cabinet team, made up of a 10-man ministerial sub-committee to help the Investment Promotion Centre (IPC) attain its goals more rapidly. The sub-committee, chaired by Prof Saitoti, has been addressing itself to improving the investment environment and procedures to ensure speedy decision-making and approval for all applications by would-be investors.

During the announcement of the appointment of the team, President Moi called on private investors to take

advantage of the new arrangement and other facilities and opportunities available locally. He said the Government, in its relentless quest for economic growth, attaches great importance to investment which has significantly increased over the last four years.

At the moment, all efforts are being made to facilitate and enhance local and foreign investments in Kenya. The IPC, established by an Act of Parliament in 1986, is charged with the responsibility of promoting and facilitating investment. During the period of its existance, the IPC has streamlined its operations and has now an efficient one-stop- shop facility for investors.

Following the appointment of the Presidential subcommittee, the IPC received a welcome shot in the arm. It was a renewed commitment on the part of the Government to accord the IPC support of the highest level. Said President Moi on the formation of the team: "The appointment of the sub-committee is expected to eventually remove the existing bottlenecks and delays being experienced by prospective investors."

Members of the team are Ministers Dr Robert Ouko (Foreign Affairs and International Co-operation), Nicholas Biwott (Energy), Maina Wanjigi (Agriculture), Darius Mbela (Lands and Housing), Dalmas Otieno (Industry), Arthur Magugu (Commerce), William ole Ntimama (Local Government and Physical Planning), Burudi Nabwera (Office of the President) and Justice Guy Muli (Attorney-General).

The appointment of the Presidential team fits perfectly with the efforts of the economy's aspirations. It tessellates with the priority issue of the country's balance of payments situation in the next three years. At a recent meeting of Kenya's donors, Prof Saitoti described the balance of payments issue as the issue of the day—clearly underlining that it is an equation that every Kenyan policy maker needs to put into perception.

With the trade deficit estimated at Sh24 billion this year, our economy must seriously think of how to revert the situation. The issue of investment fits into the picture because of the amount of foreign exchange it brings to the economy.

The cause of the deficit, traditionally, is the worsening terms of trade in the country's major exports and imports. However, in recent times, it has been realised that Kenya's over-expenditure on imports of goods and services contributes adversely to the growing deficit.

Policy makers have made the initial fore-grounding. It is paramount that all Government machinery works in a way to enable co-ordination. Despite being an agricultural economy, the industrial sector will continue to play an increasing role to economic development.

Uganda

* Museveni Inspects Eastern Region's Progress 34000319A Kampala THE NEW VISION in English 22 Nov 89 pp 4, 8

[Article by Elizabeth Kanyogonya]

[Text] President Yoweri Museveni explained the rationale of his recent week-long tour of Mbale, Iganga and Kamuli districts as being "to inspect progress in development and listen to the people's memoranda so that I can better equip myself to assist them in overcoming our terrible, accumulated problems of backwardness."

He added that some Government departments have been lax in following up people's requests, needs and complaints and that this had clogged up the whole system. There would, therefore, soon be a reorganisation of several government organs, including his own office, so that the system can at last begin to make some progress.

In Mbale District, the President thanked the people for their support for the National Resistance Movement (NRM). He told them that over the past 20 years, he had operated several times in Bugisu. In 1971, he had established a training camp in Bumbo forest but it had to be disbanded after being discovered by Amin's people.

In 1973, he had narrowly escaped death at Maluku Housing Estate in Mbale but two of his colleagues had been killed there. Then in 1985, one of the NRA [National Resistance Army]'s first battalions had linked with a fighting group which had been organised by local people in Mbale.

At each occasion that he spoke, President Museveni took the opportunity to explain how and why the NRM differed from previous regimes. "For the first time in the history of our country," he said, "we have a Government which includes all political groupings in Uganda. The only people we throw out of our movement are thieves and murderers. Although some people are still slightly uncomfortable with this new spirit of unity, we are trying to make them work together. Anyone who is not interested in the unity of all Ugandans cannot say that he is interested in development."

He explained how past politicians had divided the population and re-emphasised that in Point No. 3 in the Ten-Point Programme, the NRM had vowed to uproot the politics of division. "These fellows incited people by offering them emotive rather than concrete solutions to our basic problems of underdevelopment. They behaved like a thief who puts a rat into a bag and releases it into a crowd in order to make people think that it is a snake. In the ensuing stampede, women will drop their handbags and the thief will make off with them.

"This is what in Luganda is called okuliira mu kavuyo.

And that is how our country was destroyed. Such treacherous behaviour on the part of our so-called leaders

trapped the people into sectarian groupings and they were, therefore, unable to examine the lies and distortions that were being propagated."

He added: "The rationale for the RC [Resistance Committee] system was to unite people and give every citizen the freedom to make a contribution according to his or her capacity. The citizens have to be united in order to act as mirrors for leaders to examine and check themselves. Unity for us, therefore, is not just a political slogan but an instrument of development."

The President explained that he was acutely conscious of the fact that many projects and plans lagged behind. This was caused by restricted finances and deeply embedded economic structural distortions and imbalances.

"But," he asked, "your country has been fighting itself for the past 20 years or so and we are now reaping what we sowed. How can you plant sectarianism and expect to harvest good roads, well-equipped schools and hospitals and functioning factories?"

"Over those 20 years of turmoil, while our goods and services have been depreciating in quantity and quality, the population has been growing. Does it really require a university professor to tell you that severe problems are likely to result from such a scenario?"

"In spite of our many problems, however," the President assured his audiences, "there is no need for panic or despondency because we are working according to plan making considerable progress. We are using the timetested NRM method of work, which is that we must ensure that there is harmony between our desires or wishes and the means at our disposal to achieve them."

He noted that there was scepticism about the economy in some quarters but he countered it? "When we tell you that over the last financial year our economy grew by 7.2 percent, making it one of the fastest-growing in the whole world, some people say: 'But what are these fellows talking about? If the economy is making such fantastic progress, how come we still have no paraffin or water in our houses, and why are school fees still climbing?'

"The fact, however, is that growth, for instance, means the reconstruction of the road from Kampala to here, Mbale, and other roads across the country. The fact that there is a road here or a cement factory in Tororo does not necessarily mean that a mwananchi will have school fees for their children.

"That road, or that factory, have got to be properly utilised so that the standard can improve all round. The biggest problem we face is that the managers of our institutions—like the civil servants—are not equal to the task before them. This slows down our rate of progress—but progress there certainly is."

Substantial sections of many roads in the area have either been graded or tarmaced and the people expressed appreciation for the NRM Government's efforts at making people's sometimes difficult lives a little bit

easier. The rehabilitation of access roads has greatly improved transport between production areas and external and internal markets.

Among the projects the President inspected in Mbale District were Biginyanya Research Centre which carries out research into coffee and cereals like barley. He also visited Bulago Livestock Unit and commissioned Lukonge Cotton Ginnery which has just been rehabilitated.

At Tororo Cement Works, the President was given the dismal statistics which illustrated the neglect that had brought it grinding to a halt. The factory had reached a production capacity of 575 tonnes per day in 1970 but by the end of that decade, it had fallen to below 20 tonnes a day.

President Museveni assured the workers, however, that they should not despair about the future of their factory because "it is back on course," he declared. The Government would provide interim funding for its rehabilitation.

He also visited a new fish plant built with Italian aid at Bukungu on the shores of Lake Kyoga. The plant is a landing site from where fish will be taken to distribution points across the country.

In Mbale District, especially, the problems caused by low coffee prices were raised again and again. The President said that he had several times suggested to other coffee-growing countries that they should all cut production in order to raise prices, and he again pointed out the dangers of over dependence on one cheap raw material.

He reported that he had already found markets in Libya, Djiboute, Cuba, Yugoslavia, France, the USA, Rwanda and Burundi for agricultural produce like beans, soya beans, maize, sunflower seed and fruits such as pineapples, avocadoes and passion fruit. "This diversification will enable us to break out of our enslavement to coffee—producing goods we do not consume, and consuming those we do not produce. That is what we mean by a fundamental change."

The idea of farmers directly exporting their own produce and thereby avoiding Produce Marketing Board (PMB) procedures seemed very popular. The scheme would additionally lessen the financial and logistical burdens of crop finance. The President, however, said that he hoped that farmers had enough produce to make such a scheme viable.

He compared it to the Bank of Uganda's Special Import Programme (SIP II) where the business community had claimed that it could raise enough local money to utilise the programme only for the available dollars to remain unsold for a long time. "Ugandans are very long on words but very short on action," he commented wryly. To each of the many audiences he addressed, the President made a heartfelt appeal especially to young people to start behaving responsibly in order to avoid contracting the AIDS virus.

Reminding them that Uganda now had a total of up to one million HIV positive people, he said: "You must stop behaving as if you were goats which carry on very promiscuous and disorganised sexual relations. Couples must have AIDS tests before they get married and after that have nothing to do with sex outside marriage."

He gave an example of Rakai District which no has 23,000 orphans. "I must repeat," he stressed "that this is a very dangerous disease indeed: it is the only one which kills both the father and the mother of a family. In Rakai, there are cases of small orphans being attacked by fleas because they have nobody to care for them. So in addition to the many problems facing this country and this Government, we now have to start building orphanages for AIDS orphans!"

He added: "There are some imported Western habits of girlfriends and boyfriends which have also eroded our culture. Does a girlfriend mean a temporary wife or a boyfriend a temporary husband? Some of my soldiers tell me that there are women whom they call 'dry rations'—to be used when they are on safari!"

"While such behaviour may have been joked about in the past," he cautioned, "AIDS is far from being a joke—especially since it has not cure." In Lumasaba, the language of the Bagisu, AIDS is called Muly'omumale, which means 'that which eats a person and finishes him completely,' as indeed it does."

The President also spoke out very strongly on the need for environmental protection and the urgency, therefore, of people who have encroached on forest reserves to vacate them immediately. He explained; "These forests are like a sponge which traps water and releases it into the atmosphere as and when it is required. If people do not leave our forest reserves, which are really our mothers, all the rivers and streams will soon dry up.

The forests also consume our bad gases like carbon dioxide and recycle them into the oxygen, without which we, human beings, cannot survive on this planet. There can, therefore, be no compromise on this: people who are leaving the forest reserves must leave at once. The Government will assist people who are genuinely homeless."

He added: "Former politicians were campaigning here using our forests as a bargaining point in their bankrupt schemes. They would say things like 'If you vote for me, I shall allow you to settle in the forests.' This is the criminal type of politics which we reject absolutely."

President Museveni further told the Bagisu people especially, whose spectacular and beautiful country is very mountainous, to start using terracing and strip cultivation methods in order to protect their land.

"You should also plant more trees because they hold the soil down and act as windbreaks. If you don't do this," he cautioned, "very soon these mountains of yours will start sliding down on top of you."

At various stages of the journey, the President was accompanied by the Ministers of Environment, Mineral and Water Resources, Education, Cooperatives and Marketing, Agriculture, Industry, Local Government and Health, who were each called upon to explain to the wananchi matters concerning their departments.

Throughout the trip, the President addressed mammoth rallies of very positive, enthusiastic people most of whom had walked long distances to come and hear him. Many people made the comment that NRC members and political mobilisers in the area appear to have done a lot of ground work to spread the NRM message.

As for the President himself, he pledged to the people of the three districts, and to Ugandans as a whole, that his Government's mission was to lay a foundation which would ensure that over the next 20 years or so, Uganda will have reached a level of development in science and technology, which will guarantee a decent standard of living for all citizens. * Situation of Labor Unions in Transkei Discussed 34000332A Braamfontein WORK IN PROGRESS in English Nov/Dec 89 pp 46-49

[Article by Louise Flanagan: "Tutor Ndamase; The Homeland Leader Who Doesn't Believe in Union-Bashing—or Does He?"]

[Text] Transkeian workers are surprised and more than a little suspicious of the official blessing that trade unions have been accorded.

The Transkei Workers' Co-ordinating Committee (WCC), the homeland's largest labour organisation, has described recently-announced changes to labour law as a 'very small loophole, but one that must be turned to the workers' advantage'.

The question is just how fledgling organisations—for more than a decade denied the right to organise—can grasp the new opportunity outlined by homeland president Tutor Ndamase at the 'independence' day celebrations last month.

The announcement by Ndamase essentially endorsed the right of Transkeian workers to organise—a right that had never been formally removed by statute but which had become impossible to exercise in the context of sweeping repression of the Matanzima era.

Ndamase's stance on labour and other promises of liberalisation constituted a move unheard of for a bantustan.

Already the WCC, formed some months ago as an interim structure to pave the way for a general union, and the Transkei Post Office Workers' Association (Trapowa) are operating more openly.

While they are questioning the motives of Major General Bantu Holomisa's military government in making the move, they are aware it represents a dramatic advance from the Matanzima era when attempts to organise any section of the population were frowned on heavily and legal mass-based organisations were outlawed.

Like the other 'independent' bantustans, Transkei has been strongly anti-union and attracted foreign and South African investment through the offer of a non-unionised and badly underpaid workforce.

It promulgated its own labour laws a year or so after 'independence' in 1976 with provisions similar to old-style South African labour laws. Its key components are the Labour Relations Act—a mere six pages long—and the Wage Act.

The Labour Relations Act makes provision for liaison committees to be set up, with workers and management nominating an equal number of members. It sets out limited procedures for disputes and even defines strictly limited conditions in which strikes are legal.

The Wage Act provides for a Wage Board, intended to make wage determinations for each industry, lay down working conditions and minimum wages.

The Acts seem to have been little protection for workers. Both exclude domestic workers and public servants although farm labourers are included.

The Wage Board has done little at all. It is believed that the first wage determinations were gazetted only in April last year.

In addition, these inadequate legal provisions have been rendered almost meaningless by the anti-union stance among Transkeian rulers and employers.

With the advent of military rule at the end of 1987, things started to change—largely because of protests by workers when the improvements they expected under the military (with its anti-corruption and pro-Transkeian campaign) did not materialise.

A few months after the coup, a wave of strikes occurred in Transkei.

Workers demanded better wages and improved working conditions.

Before the new rulers had been in office for a year, there had been strikes at Jet Stores, at the Holiday Inn (involving 300 workers), at Magwa Tea plantation (involving 2,000 workers) and among bus drivers, post office and hospital workers.

In most cases the military council sent a representative to meet the strikers and promised that their grievances would be addressed.

But little was done about workers' grievances despite this appearance of sympathy and in recent months workers' demands have become more vociferous, with an increased feeling that Holomisa is siding with employers and foreign investors.

In two landmark actions, Transkeian workers at Langeni Sawmills organised the first known legal strike in the territory in July and last month thousands of workers marched on the military council to present their demands.

The state's response to the increasing workers militancy has been confusing. The reaction of the military rulers has been strongly contradicted by actions of the police—the result, it seems, of long-standing conflict between the two.

These differences have become so marked that one worker commented: 'The government in Transkei is divided into two parts: there is a military government and there is a police government'.

Holomisa initially referred to the strikes as a problem inherited from the Matanzima administration. He stated that the workers' wage grievances were 'genuine' and promised that the military council would respond.

Later he seemed more impatient. 'I wonder why there is so much pressure when we have only been in power for eight months,' he said in August last year.

Apparently constrained in its response to workers, the military nevertheless seems sympathetic towards the strikers and many workers express some kind of belief in the military.

The actions of the police—regarded widely as faithful followers of the deposed Matanzimas—have been very different.

The Transkei police have long had a reputation for brutally repressing all opposition and have been repeatedly linked to notorious death squads.

Shortly after the military came to power, several prominent policemen and well-known Matanzima supporters lost their positions in what was clearly a cleanup of the police force. Subsequently Holomisa strongly condemned illegal South African Police operations in Transkei and Transkei Police complicity in these.

For the first months after the coup the police appeared to 'behave' themselves and kept a low profile. But by August they were beginning to reassert themselves to smash worker protests. Frequently their actions appeared as attempts to 'sabotage' liberal actions by the military government.

Police action on striking hospital workers and boycotting students at Butterworth as well as police minister Rev Benjamin Dlamini's blanket ban on strikes and the banning of the Prisoners' Welfare Programme—which had been assisting strikers and students—was met with a huge silence from the military council. This led to accusations that Holomisa had no sympathy for the workers.

The dismissal of Dlamini a few months later, in another measure to clean up police ranks, did not help the military to regain the workers' faith.

More strikes started, including the legal strike at Langeni Sawmills, culminating in a week during October when factories in the main industrial area of Butterworth and others in Umtata ground to a halt.

Once again the military met workers to listen to their demands and finally 10,000 workers marched on the military council's office with a list of basic grievances.

But, while the military met the workers and accepted their list of demands, the police moved in yet again.

After marchers had dispersed and were on their way back to the Ngangelizwe township, conflict with police erupted. Police later claimed they were attacked, but organisers said police were provoking people and that marchers were not involved. Throughout the rest of that week gunfire was heard in Umtata every night and observers attributed this to police action.

The workers' demands were:

legalisation of trade unions.

 designation of structures, like conciliation boards and industrial councils, for resolution of disputes;

a dramatic change in labour legislation:

- an end to harassment of workers involved in trade unions;
- scrapping of the Public Security Act, which allows for detentions and in terms of which many political prisoners are charged;

lifting of Transkei's state of emergency;

unbanning of organisations.

The 'independence' day celebrations came just a week after the march and saw the official announcement that workers should form unions, that new labour legislation was on the cards and that even the African National Congress [ANC] might be unbanned.

During the announcement, Ndamase explained what was envisaged.

'My government has decided that workers should elect their own worker representatives from each firm. One member should be a representative in an ad hoc worker representative body on a central (union) level. They shall be responsible for reporting their disputes to the magistrate or the district commissioner or labour inspector'.

Ndamase also said that an industrial court was on the cards 'with powers to adjudicate, arbitrate and grant interim relief'. These, he said, were interim measures while new legislation was drawn up. A Wage Board would also start functioning in November.

Ndamase told all workers to organise themselves into unions, which would be required to register with the Department of Manpower Planning and Utilisation by the end of November—barely a month after the announcement. He said a 'labour law consultant' would be appointed to draft new legislation and invited 'legal representatives, organised groups, workers and others' to contribute to establishing unions and drafting 'sound legislation'.

Stating that the legislation should be promulgated early next year, Ndamase said: 'The government is advanced in its preparation of such legislation which exercise is futile without the participation of all the parties concerned'.

He added that people were free to form voluntary associations and organisations.

The announcements have been treated with a great deal of suspicion by Transkei workers.

Members of the WCC are among those who doubt the reform moves. 'There is that "but"—you can't do it freely', one commented. 'For example, Ndamase says he's not against unions in Transkei, but you must not operate as in South Africa'.

It seems clear that the military has been forced into making some concessions to workers in a bid to end the strikes, restore 'order' and, more importantly, give investors more confidence.

'It's (due to) pressure from the workers,' said a WCC member. 'But they are trying to hijack us on the way.'

There is a also a feeling in Trapowa and the WCC that the moves are influenced by FW de Klerk's promises of reform in South Africa. Some argue that Holomisa—who has always said he wants to be part of negotiations with South Africa—is moving in line with De Klerk. South Africa appears to approve of Transkei's moves. Certainly there has been no public reaction from Pretoria even to tentative statements that the ANC may be allowed an office in Umtata.

On the face of it, the announced labour reforms addressed most of the workers' demands, but a closer look reveals them as platitudes without substance.

'He was vague enough to look as if he was addressing the problems of the workers whilst he wasn't making any sense,' said WCC organiser Oupa Khumalo. 'They've been pretending to identify with progressive structures, but we know the government's policy of inviting imperialists to invest in Transkei at the expense of the workers'.

Since union organisation has never been illegal in Transkei but almost always been practically impossible, an optimistic reading of Ndamase's speech would be that workers will no longer be victimised for demanding their legal rights.

But the committee system he mentioned seems to get workers no nearer their objective of collective bargaining: it seems structured solely to report grievances.

And the Wage Board is nothing new—it has been there for years and just doesn't function.

Adding to the uncertainty provoked by the vagueness of the announcements were the actions of the police on the same day. Although the announcements were made by Ndamase, they were very obviously supported by—or quite likely even drawn up by—the military rulers who watched over Ndamase as he spoke.

Even as this occurred, what appeared to be yet another attempt by police to undermine any possible success by the military was underway. Police moved in on the same afternoon on a meeting of youths organising a new youth structure and detained about 200.

'They say they are not against these structures, but at the same time they are trying to detain people who are building these structures', commented a member of the WCC.

The WCC pointed to contradictions within the government's stance. 'While the government is calling upon the

workers to form trade unions, it is at the same time prescribing how this must be done', it commented.

'The committee calls upon all workers to continue rejecting the undemocratic structures created by the state in collaboration with the bosses'.

The WCC has rejected the idea of immediate registration, saying it doesn't know what the consequences of this might be. To register before the laws were drafted would be to put the cart before the horse, Khumalo suggested.

'Trade union structures can't just go and register when they don't even know the lega' structure. We're not opposed to registration in principle. But we're opposed when it's not known what the implications of it are'.

He added that workers were strongly opposed to being confined to structures that operated only in the bantustan.

Participation in drafting legislation also evokes unease.

A Trapowa spokesman said: 'If labour law is being drafted, it will affect all the workers, so we'd like to be involved in it but we don't know how. We envisage a situation where they ask for ideas but we are not part of the actual drafting. We should be part of drafting that law'.

Some WCC members were more suspicious. 'The government wants to swallow us. They want to be the head of the structures. They are inviting us so they can operate at the head. We don't want to be directed to operate by the government', said a WCC member.

But most organised workers believe that there is now some leeway for structures to operate more openly and they are determined to take the gap. The lifting of the state of emergency and unbanning of 15 organisations in early November tends to confirm this perception.

The bottom line for all those interviewed was that they wanted unions, better labour laws, freedom to organise and to join the Congress of South African Trade Unions (Cosatu).

The fledgling unions have support—one estimate put it as high as 50 percent of Transkei workers—but experience of mass organisation is lacking. The effects of Transkei's isolation from the rest of South Africa and the impact of years of bantustan repression are evident.

Khumalo stressed the effects of repression. 'It used to be that participating in trade unions was the same thing as participating in the ANC. Workers didn't want to be seen participating because of the conditions. They are not really acquainted with trade unionism'.

He added: 'The employers are not used to bargaining collectively with workers,' speculating that laws could 'help them get educated'.

There is little contact between existing Transkei structures. Trapowa was the first worker organisation to emerge, taking off during the postal strike earlier this year (WIP 61). But it has emphasised that it is an association rather that a union. Trapowa officials said this was because government workers were not allowed to form unions.

Both Trapowa and the WCC said their lack of contact was not because they had fundamental disagreements but rather because they organised in different sectors. Trapowa also said that bail conditions imposed on workers jailed during the strike limited their contacts.

There is also little contact with groups based outside Transkei, although the National Union of Mineworkers (NUM) has had an office in Transkei since the beginning of the year and the WCC operates from the same building.

The WCC plans to become a general union, a factor which could complicate its achieving affiliation to Cosatu. Yet workers believe that Cosatu could play a central role in ensuring workers voices are heeded in the drafting of legislation.

'If Cosatu can officially be part of drafting the laws, we will support it. We won't be part of that meeting if Cosatu isn't there', one insisted.

Trapowa workers suggested that the Workers' Charter currently being discussed in South Africa could be used as a basis for new legislation.

All of this points to the need for an extended time scale for the preparation of new laws and for unions to debate how (and whether) to use the offer of participation.

Holomisa's promises of a referendum to determine whether people wish to reunite with South Africa is being considered in the light of mobilisation (even though such a referendum is unlikely to result in Transkei's immediate reintegration).

"Transkei is a bantustan. We see ourselves down here as part of South Africa, but on the other hand there's this so-called "independence". There's also talk of a referendum, of taking "independence" back to Pretoria and we don't know the implications of that', said Khumalo.

'If "independence" is taken back to Pretoria, this mobilising space in Transkei may be closed. Maybe that space should be widened to make space for the liberation movements, rather than closed. De Klerk may be embarrassed to exert control over an "independent" state'.

He concluded with the dilemma: 'We don't want a situation where we are separated from Cosatu. But we don't want to adopt South African legislation'.

Trapowa representatives were cautiously hopeful. One put it this way: 'We must not lose sight of the fact that Transkei is part of the Pretoria regime. It's dependent on Pretoria. What Pretoria says goes.

'But we believe that what it is doing now must be frustrating Pretoria a little bit'.

* Campaigns Against Labor Relations Act Assessed 34000332B Braamfontein WORK IN PROGRESS in English Nov/Dec 89 pp 50-51

[Article: "LRA; Backfire on Bosses?"]

[Text] Since the LRA [Labor Relations Act] was promulgated on September 1, 1988, trade unions have demonstrated a resilience which has flown in the face of bosses' expectations. The legislation, intended to curtail industrial action, has had the opposite effect: strikes and work stoppages have more than doubled since last year, particularly in the last quarter of 1989 (see Trends).

However, the anti-LRA campaign—although aggressively, if unevenly waged—has failed to prevent the state from implementing the Act.

Last year the government introduced the Act despite a massive three-day stayaway from June 6.

The stayaway campaign prompted a two-pronged response from employers. The South African Co-ordinating Council on Labour Affairs (Saccola), the biggest employer federation, showed a willingness to pursue discussions on the Act with trade unions.

When large-scale dismissals and disciplinary action followed the stayaway, Cosatu [Congress of South African Trade Unions] and the National Congress of Trade Unions (Nactu) threatened further action. But support for the dismissed workers was not forthcoming and workers often found themselves alone in drawn-out fights for reinstatement. Many workers lost their jobs permanently.

Initial anti-LRA action ceased, leaving a relatively calm industrial relations climate in which talks with Saccola continued. But with bosses playing a wait-and-see game and little visible shop-floor pressure, Saccola began to backtrack. By September 1, there was little to prevent the promulgation of the LRA, leaving unions to face the challenge of devising new strategies and responses to the legislation.

Cosatu general-secretary Jay Naidoo, speaking at Cosatu's third national congress, pointed to weaknesses in the labour movement's responses to the Act. One such weakness had been a dependence on negotiations to deliver the goods. Another was the failure to sustain the pressure imposed by the stayaway.

Developments in the period prior to the promulgation of the Act were also significant for the long-term growth of the union movement. Cosatu, Nactu and 43 independent unions overcame ideological differences and joined ranks to oppose the LRA. The Workers' Summit in March 1988 highlighted the potential for working-class unity. Soon after the promulgation of the Act, employers began testing the terrain with contentious clauses. Section 79, the clause which gives bosses the right to sue for damages resulting from strikes, became the one most feared by unions. Although no union has yet paid any damages, and the bigger corporations have not yet resorted to Section 79, it remains a threat for unions.

Unions, in particular the National Union of Metal-workers of South Africa (Numsa), have been devising their own strategies to counter the use of this clause. Numsa has, in more than 40 cases, refused to take responsibility for strikes or to negotiate with bosses unless they had waived the right to sue. This has meant that bosses would have had to sue workers in their individual capacity—a pointless exercise as workers are unable to pay.

A Transport and General Workers' Union (TGWU) official noted that 'bosses would much rather negotiate with unions than with masses of workers under no structured forum, resulting in chaos and stronger conflict. This is one of the reasons why they have refrained from using Section 79 which could theoretically completely destroy the unions'.

In recent talks between the unions and Saccola, Saccola agreed to have the clause scrapped becuse of its impracticality. Recommendations regarding the clause have now been made to the Manpower Commission. Other sections of the Act which severely restrict the unions' power are Sections 27 and 35 which involve time limits and technicalities around declaring disputes.

These sections have also complicated existing procedures, thus placing great strain on unions. The procedure for appeal against industrial court decisions has changed so industrial court rulings can now go on appeal to the special labour court without interim relief being granted—a process which can drag on for years while workers go without wages. The LRA also allows bosses to ignore the principle of last in, first out, enabling bosses to selectively retrench workers and thus erode union leadership on the shop-floor. With unfair labour practices defined in the Act—rather than by the industrial court—sympathy strikes are now illegal.

Unions are also facing the increased use of interdicts, lockouts and dismissals. Since the LRA, bosses have been flooding the courts seeking interdicts and interim relief—and have had them easily granted.

Backed by the LRA, bosses have become more aggressive and confident. Against this background Cosatu, Nactu and the independent unions met again at the second Workers' Summit in August 1989. Hampered by a government restriction order and police presence, 'political' discussions were almost impossible. One note of discord was over the proposed dates for an anti-LRA stayaway, with elements in Nactu arguing that it should be divided into two, with one day coinciding with the anniversary of the death of Steve Biko.

Unlike the 1988 response, the second Workers' Summit attempted to ensure an ongoing campaign including an overtime ban, a consumer boycott, work stoppages and demonstrations.

The September 6 stayaway, coinciding with the white elections and a national protest action called by the MDM [Mass Democratic Movement] and other organisations, received massive support nationally. On September 5, the stayaway was partial, due to confusion stemming from the Workers' Summit. And on Biko Day a negligible stayaway was reported.

As a runner-up to the September 5 and 6 stayaway, the summit decision on factory level action was implemented in the form of one- to two-hour work stoppages or lunch-time demonstrations. However, the action was only partially supported and had little impact on its own. A two-week consumer boycott, which began on a high note on September 26 in the Eastern and Western Cape, had much less support in other regions. Shops in Johannesburg's city centre were not significantly boycotted and the level of support elsewhere declined after a few days in all, the boycott was largely ineffectual.

The han on overtime, implemented shortly after the consumer boycott, is still continuing in varying degrees in different sectors. A Labour Monitoring Group survey of unionised companies on the PWV [Pretoria, Witwatersrand, Vereeniging Industrial Area] employing more than 100 workers, showed that there was an average 36 percent support for the ban in the first four weeks, though level of support varied in different sectors.

Most employers reacted by threatening to restructure their labour force and changing the shift system to obviate overtime work. Others began interdicting unions.

The overtime ban entered its eighth week unmonitored, but union organisers in the different regions report that support has dwindled. Bosses have clamped down on workers and there was also poor co-ordination in regional structures.

In the midst of mass marches and protest action throughout the country, Cosatu also called on workers to march against the LRA in the country's major cities. In Johannesburg, unions hoped for 100,000 workers. Only 15,000, among them students and political activists, participated. In Cape Town, the march drew stronger support.

With national strategies seemingly exhausted at least for now, individual unions are pursuing their own strategies at plant or company level. A popular strategy is one whereby unions have negotiated that employers voluntarily disregard the LRA. While there are few formal contracting-out agreements, in some cases managements have indicated that they will not use the more contentious LRA clauses.

Within unions, there has been some debate as to whether contracting out has not detracted from the anti-LRA campaign. Unions using the strategy—the South African Clothing and Textile Workers' Union (Sactwu) already has about 25,000 workers covered by contracting-out agreements—say the battle against the LRA is being pursued at all levels and that their members, whether contracted out or not, continue to support the campaign.

While some gains have been achieved since the implementation of the campaign, it is evident at this stage that it has not met its original objectives. Unions have admitted that regional and local campaign co-ordinating structures have not functioned efficiently and in some cases links between union leadership and workers on the shop-floor have been weak.

Despite these setbacks, the LRA campaign has had an impact on management and employers, who more recently have backed down in the face of some union demands. At the Saccola talks on October 18 and 19, Saccola agreed:

- to scrap the technicalities and time limits for bringing disputes:
- that appeals to the special labour court be quick and that the court should be staffed by experts;
- to revert to the pre-September 1988 position in regard to damage claims;
- that industrial court judgements be published unless the courts decide otherwise;
- ti.at International labour Organisation (ILO) guidelines apply on dismissals for incapacity, misconduct and retrenchment; and
- that the clause defining an unfair labour practice be restructured.

The commitment to change or to scrap these clauses does not mean the struggle against the LRA is over. But the campaign will be judged by the extent to which it had added dynamism to the trade union movement—much as the Living Wage Campaign did in 1987. Combined with other factors, it has indirectly bolstered union confidence and militancy and led to a substantial increase in industrial action after the huge lull of 1988.

* Unions Condemn ISCOR Privatization

34000332C Braamfontein WORK IN PROGRESS in English Nov/Dec 89 pp 32-35

[Article by Carole Cooper: "The ISCOR Share Offer: Supping With the Devil"]

[Text] Iscor [South African Iron and Steel Corporation]'s privatisation and its share offer to workers present a new challenge to unions. A more concerted strategy is needed to give content to union resolutions on the issues, argues Carole Cooper.

'He who sups with the devil needs a long spoon.'

This saying crystallises the dilemma facing the trade union movement over the privatisation of Iscor.

The privatisation has drawn attention to union strategies on two interlinked issues: privatisation itself, and employee share ownership programmes (esops).

The reasons for the state's decision to privatise are not hard to find. After dragging its heels on the issue for years—much to the impatience of a private sector keen to find new avenues of expansion—the government embarked on the privatisation of Iscor with surprising speed.

Its most compelling reason was its need to get more money to reduce its public debt, which stood at about R67-billion in 1988. Reducing this debt would also have the spin-off effect of reducing the costs of servicing the debt. At the same time money would be released for the funding of infrastructural projects which form part of its reform programme.

Other reasons for the privatisation thrust are the state's need to reduce public expenditure (running at 30 percent of gross domestic product—a measure of the value of the country's total production and services—last year) and its perception that privatisation would improve the efficiency of state-controlled corporations and services.

But the reasons are not only economic. Pretoria's efforts to depoliticise issues such as housing, education, transport and labour is an important factor in its decision to privatise—as is its concern to prevent these services and strategic corporations from falling into the hands of a post-liberation government.

A variety of strategies are open to the government in privatising its privatisable assets—estimated by the Free Market Foundation at R300-billion. Briefly stated the government can:

- sell all its shares in a corporation;
- sell only some, thus retaining a controlling interest while benefitting from the expertise of the private sector:
- · retain some to be sold at a later date; or
- place certain of the functions out on tender while still retaining full control of the company.

It can also choose to sell the company off as a single unit, as in the case of Iscor, or divide it into smaller sections—as it intends to do with the Post Office and the South African Transport Services (Sats).

This latter strategy has a strong following among proponents of privatisation who see the sale of companies in separate sections as encouraging competition and thus efficiency.

But while benefitting capital and the state, privatisation means added hardship for workers.

It is usually accompanied by rationalisation, leading to job losses and increased unemployment.

And if the British experience is anything to go by, it also means an increase in the cost of services.

And the selling off of companies in separate divisions undermines national bargaining, thus weakening unions.

It was not by chance that the state chose Iscor for its first major privatisation initiative since the sale of Sasol in 1979. It is the most successful of the 'big four' due to be privatised—the others are Eskom, the Post Office and Sats.

In the 1999/89 financial year, Iscor's income before financing charges and taxation amounted to R1,196-million on turnover of R5,952-million—an increase of 51 percent and 23 percent respectively over previous year's figures of R794-million and R4,820-million. Profit attributable to shareholders (the government and the Industrial Development Corporation) rose from R593-million in 1987/88 to R812-million in 1988/89, an increase of almost 37 percent.

Iscor claims to be the 16th largest steel-making company in the world, and produces 73 percent of steel for the internal market. But preparing Iscor for privatisation has also meant a rationalisation of production, leading to job cuts.

The company's workforce stands at 58,000, compared to 79,000 in 1985.

As a prelude to privatisation, rationalisation has also occurred at the other three companies, no doubt with the intention of making them more productive and attractive to investors.

From the outset, Iscor stressed that it wanted to avert a takeover by the major corporations. A wide share ownership was envisaged that would give the general public, as well as Iscor employees, a chance to take advantage of the offer. The share offer to employees comprised 185-million shares, 10 percent of the 1,85-billion share offer. Those allocated to the general public amounted to 150-million (8,11 percent).

Institutions, by contrast, were allocated 1,215-million (65,68 percent) and the Industrial Development Corporation (IDC) 300-million (16,22 percent).

The Congress of SA [South Africa] Trade Unions (Cosatu) has strongly opposed the strategy of privatisation. At its July congress it adopted a resolution which noted that 'privatisation is the selling of people's property to the private sector 'hich this government has no right to do'. It resolved that: 'A call be made to people to unite, resist and fight privatisation; that Cosatu and the entire democratic movement initiate a campaign to educate the people about the effects of privatisation; and that the Mass Democratic Movement initiate a campaign to stop foreign capital from buying people's assets from the racist government.' The sale of Iscor has been strongly criticised by the unions, especially the National Union of Metalworkers of South Africa (Numsa), which represents 9,500 of Iscor's 58,000 workers, and the

National Union of Mineworkers (NUM) which has 2,000 members at three Iscor mines. Both are Cosatu affiliates.

One of their key complaints is that Iscor is 'selling off the nation's wealth cheaply to major business interests'. According to Numsa, 'this sale of the wealth of our nation, created through the taxes of the people and the efforts of the workers, will give the people's wealth to private individuals and will end up very soon as yet one more area of domination by the small number of monopoly corporations which a ready control South Africa's economy'.

'If the snare price is R2, the asset value of the company will be undervalued by some R1,5-billion. In addition, steel companies at present quoted in the steel industry sector of the Johannesburg Stock Exchange are selling at a premium of between 150 percent and 800 percent over asset value'.

Purchasers, the union argued, would obtain an immediate windfall. The union has also attacked the assumption that privatisation automatically means greater efficiency. Its stand is borne out by a recent survey on privatisation in Margaret Thatcher's Britain.

The authors of 'Does Privatisation Work? Lessons from the UK' find that privatised firms, judged on several measures—including their total factor productivity—have not done noticably better than those enterprises still owned by the state. For example, between 1983 and 1988 British Steel's productivity grew fastest (by 12,4 percent a year), while that of British Telecom, flagship of privatisation, managed just 2,5 percent.

The authors argue that the performance of both privatised and state-owned firms is so similar because they have undergone the same changes in management culture, and now have clear market principles.

How Iscor Offered Shares to Its Workers

Under the Iscor share offer, unskilled and semi-skilled (blue collar) employees were offered a three-pronged package:

- 200 free shares each.
- · 1,000 shares each at 20 percent discount.
- 1,500 preferential shares at the offer price of R2 a share.

Workers could defer taking up the discount offer and the shares would become available again in 1991—but at the market price, not the offer price.

A deferred payment plan was also available to workers taking up the discount offer. Iscor would lend workers the money, which would be paid off in equal monthly installments, interest free. No dividends would be received and the shares could not be sold until they were fully paid off.

Numsa questioned the way shares were divided between different grades of employees.

The company has refused to say what proportion will go to different grades, and the union speculates that 'using reasonable ast mptions based on wage differentials, black employees will be allocated about 1 percent of the shares, white production workers about 2 percent and management about 7,5 percent'.

Numsa in fact claims that management was banking on black workers not having any money to take up the preferential and discount offers. Iscor's privatisations unit denied Numsa's claim that shares were weighted in favour of white-collar workers, saying that white-collar workers had taken up 7-million free and discount shares compared to 47-million by blue-collar workers.

But far fewer blue-collar workers had taken up the discount offer—only 57 percent as against 95 percent in the white-collar category—indicating the merit of union claims that black workers cannot afford the discount shares. Iscor would not release the figures on the total allocation nor on the preferential applications.

Market principles are seen as underlying Iscor's remarkable success. According to Iscor MD Willem van Wyk: 'There is no reason for the state to continue to retain control of Iscor... it has been run and managed successfully as a private company'. And according to company chairman Marius de Waal, three separate investigations into the privatisation of Iscor—one at the request of the Ministry for Administration and Privatisation; a second by the Iscor's merchant bank, Senbank; and a third by Finansbank, in its capacity as merchant bank to the state for Iscor's listing—all highlighted Iscor's private sector orientation; its financial soundness and profitability; its ability to generate funds for capital replacement, redevelopment and to pay dividends; and the advantage of retaining Iscor as one entity.

If the company is being run so efficiently, why the need to privatise? asks Numsa.

The point is, of course, that efficiency is not the main reason for the state's privatisation thrust—revenue is. When talking of efficiency, it is worth asking 'efficient for whom?' Who will the profits of efficiency and competition go to?

Not to the financing of housing, health care and services for the mass of the population. Instead, it is likely that services for these people will be rationalised and become even more expensive.

The concept of employee share ownership is increasingly becoming a favoured strategy of management. Esops are seen as an important way of winning workers over to capitalism. Giving workers a stake in the ownership of companies—an argument pushed strongly by Anglo

American—will convince workers of the virtue of capitalism, make them query socialism, and show them that apartheid and capitalism do not necessarily go hand in hand.

By giving workers a stake ir the company and paying them dividends, capital hopes to persuade them to work harder and strike less.

Numsa's Adrienne Bird has also argued that one of the main thrusts behind esops is that 'they form a sophisticated component of a wider strategy to weaken collective bargaining for a living wage'.

In other words, management hopes to influence worker shareowners to curb wage demands in the interests of future investments.

No doubt this influenced Iscor in offering shares to workers. Equally important is the state's desire to allay employees' fears about privatisation and win support for further privatisation—to make people feel part of the process.

Esops have also received strong opposition from the unions. Says Cosatu general secretary Jay Naidoo: 'We are essentially opposed to the idea. Fundamental issues must be redressed first. We're struggling for a living wage, let alone considering buying shares, which are seen as perpetuating inequality.

'Equity participation does not redress the fundamental inequalities in South African society and certainly won't resolve the country's unemployment crisis. This will require a restructuring of the economy.'

The shortcomings of esops for workers are apparent from the Iscor offer.

The stake in the company offered to black workers is so small that it would not give them a real say in company policy, nor would it lead to a significant redistribution of wealth in their hands. Workers are entitled to only 10 percent of the share offer as compared with 65,68 percent for institutions. Despite the restriction on a single investor or group of investors from holding more than 20 percent of the shares, Numsa argues that wealth will be concentrated in the hands of a few companies.

And the percentage of smaller investors will diminish through stagging—a process whereby large companies buy up the shares of smaller shareholders.

The limitations of esops are also highlighted by Iscor's lack of consultation with workers and their unions over the share offer. Iscor management strongly defended its right not to consult unions, arguing that privatisation was not a management matter—it was the decision of the government, the major shareholder.

A privatisation unit spokesman argued that any share offer was made unilaterally. It was up to the potential buyer, in this case each employee, to decide whether to accept it.

But despite an understanding of the limitations of participation in share ownership schemes, Numsa chose to urge its members to take advantage of the Iscor share offer.

Why?

Numsa's experiences with esops have been problematic. The pitfalls of participation were shown in the Samcor case, where workers demanded that dividends from shares, placed in a trust on their behalf, be paid directly to them rather than used for community projects.

The dangers of a hands-off approach, says the union, were highlighted by the anglo offer. Here the union urged workers not to take up the offer—largely unsuccessfully. Numsa stresses that workers can turn against the union when they compare their position with other workers who have accepted shares and who in the longer term will benefit monetarily.

Initially the union decided to oppose the Iscor offer, and discussions with workers revealed that they were reluctant to participate.

The union changed its mind after it was approached by Rand Merchant Bank (RMB) which offered Numsa members loans for the purpose of taking up the discount and preferential shares at interest of the prime overdraft rate plus 1 percent. RMB would charge a flat underwriting fee of 2,5 percent on the loan amount to cover brokerage, administration costs and costs of hedging against market risk.

This would amount to R2,085 a share as opposed to the offer price of R2. The underwriting of the loan meant that the workers would not lose money in the event of a drop in the share price. Numsa convinced workers to accept the loan offer.

Workers signed a mandate giving Numsa the right to apply for the shares, using the loan offered by RMB, and to sell them on their behalf.

The union was not required to sell the shares to RMB, and was in the process of negotiating a deal with the Metal Industries Pension Fund. The mandate also authorised Numsa to receive any surplus in excess of the bridging finance and underwriting charges and to invest this in a trust fund for the benefit of Iscor members.

Workers agreed that they had no claim on the surplus, trust or any earnings in the trust unless they left Iscor or the trust was liquidated.

In that case, the trustees, who would be union members at Iscor, would have absolute discretion to reimburse Iscor workers a share of the trust.

The use of money in the trust would be decided by workers collectively. According to the union, it would be used for collective action, such as a strike fund.

Although the RMB offer was initially designed to cover both the preferential and discount shares, it proved administratively too difficult to organise the funding of the discount offer. The union had only one week in which to get the workers to sign the forms.

On the free shares, workers agreed to take up the offer and then give instructions for their immediate sale. The income from this, the union said, was money which the workers regarded as their own.

A total of 4,800 workers, about half of Numsa's members at Iscor, signed the preferential share offer. No details were available as WIP [WORK IN PROGRESS] went to print on how many Numsa members took up the free and discount share offers.

But according to the privatisation unit, more than 86 percent of Iscor employees took up the free share offer, and 58 percent of the 58,000 workforce had applied for 50-million of the 70-million shares available on the discount offer.

Numsa says its decision was not ideal—but that the best thing it could do was to take a principled stand and use the opportunity to educate workers about share ownership. It expected to avoid the problems of the Samcor scheme as workers would sell their shares immediately and the trust would hold money and not shares on behalf of the workers.

Another consideration, it argued, was that the Inkathalinked United Workers' Union of South Africa (Uwusa) organises in many of the same factories and has no scruples about share ownership. There was a real fear that Numsa members, if encouraged to adopt a hands-off approach, would feel disgruntled and that this would undermine the union's strength.

NUM, on the other hand, refused to accept the share offer.

According to NUM's Jerry Majatladi, the union expects workers to abide by a congress resolution rejecting esops, and that they would not participate in any aspect of the scheme.

'It is a matter of principle. We believe it is impossible to negotiate for decent wages and working conditions while also being shareholders in a company', he says.

Unions have recognised that there is little benefit in privatisation for most workers.

The picture becomes more complicated where privatisation is accompanied by esops, as in the case of Iscor. Umsa and NUM have adopted different strategies towards the Iscor offer.

NUM's principled hands-off approach seems the more logical given union recognition that esops distract from more fundamental issues rather than leading to any real worker control. But it should be recalled that NUM members took advantage of the Anglo share offer.

Numsa, in participating in the Iscor share offer, does so both in the face of its own reservations about such schemes and the Cosatu resolution. While acknowledging that its stand on the share offer is not ideal, it hopes that the immediate sale of the shares will avert the problems which arose at Samcor.

Angola

* Portugal Prepares for Savimbi's Visit 90EF0193A Lisbon O JORNAL in Portuguese 5 Jan 90 p 32

[Text] During the announced visit to Portugal by the leader of UNITA, the Portuguese Government wants a minimum of fanfare, nothing like the publicity that the promoters of the visit were hoping for. The president of the Republic has not yet decided whether he will receive Jonas Savimbi. For these and other reasons, the program will not be set until next week and there are even varying reports regarding the date of Savimbi's arrival.

UNITA representative in Lisbon assured that no date had been set yet for the arrival. "There has been much speculation," he told us. However, one of the promoters of the visit, a member of the Forum for Peace in Angola, insisted that Savimbi would already be in Lisbon on 13 January, when there will be a reception to which several prominent people have been invited. The American Club has announced that on 16 January the UNITA chief will be its guest of honor at a luncheon, where "Portugal and Angola" will the topic of discussion.

Asked about the possibility of changes because of the offensive by FAPLA in the region of Massinga (the doorway to Jamba), Jose Brandao, one of the promoters of the visit, said there was no reason for any change. He added that several high officials of UNITA are in Portugal to prepare for the visit.

Sources close to UNITA say they are awaiting confirmation of a series of meetings which Savimbi would like to hold during his trip and, in this respect, the promoters have had some "surprises and disappointments" with regard to the PSD [Social Democratic Party]. It appears that Pacheco Pereira will not be a part of the reception committee for Savimbi, after all, and there has been a lack of interest among some prominent members of the Forum, specifically Joao Carlos Espada, Commander Homem de Gouveia and Oliveira Martins, advisors to the president of the Republic. Late this morning, Mario Soares will receive Lencastre da Veiga, the Portuguese ambassador in Angola, and they will probably take up the matter.

With regard to surprises, the same source said that "it is taken as certain" that Antonio Costa, of the PS [Socialist Party] secretariat, would be included in the reception committee. Contacted by O JORNAL, a source in the PS press office said the committee promoting the visit had asked for an audience with PS leaders this week, but that no decision on the matter would be reached until Monday.

Incidentally, the PS and the PCP [Portuguese Communist Party] considered the audience that the parliamentary Committee on Foreign Affairs, Communities and Cooperation will grant to the UNITA chief to be "untimely and contrary to the interests of Portuguese

foreign policy." In that committee, the PSD and CDS [Social Democratic Center Party] voted yesterday in favor of the meeting with Savimbi. PS representatives Edite Estrela, Manuel Alegre, Sottomayor Cardia and Mota Torres abstained. Antonio Mota, Joao Amaral, and Luisa Amorim, of the PCP, voted against the meeting.

In the north of the country, where the promoters of the visit will take Savimbi, the arrangements for the visit have been directed toward mobilizing the returnees from Angola and businessmen.

UNITA officials have been in contact with NERBA (Braganca Region Business Center) and announcements have been posted in commercial establishments in Vila Real and Chaves appealing to the residents to take part in a rally in support of Savimbi, to be held in Porto.

* Savimbi's Visit to Portugal Postponed 90EF0193B Lisbon O JORNAL in Portuguese 12 Jan 90 p 2

[Article by Ferreira Fernandes]

[Text] In the room [where the press conference was held], the headlines in the afternoon newspapers read "Savimbi Is Coming!" This was confirmed in the body of the news reports by the representative of UNITA in Lisbon, but when Alcides Sakala opened the press conference in which he was expected to define the agenda for Jonas Savimbi's visit, surprisingly, he announced another postponement. This past Wednesday, only hours before the scheduled arrival of the leader of the Angolan rebels, once again we were told that it was not to be; the military offensive which Luanda launched just before Christmas was the reason cited.

The explanation was met with disbelief. The rebels themselves were saying this week that the attack by the MPLA [People's Movement for the Liberation of Angola] had been contained. They were also claiming that the government troops that attempted to attack Massinga (a settlement in eastern Angola and the principal airfield of the guerrillas, which has been supplied by American "Hercules" planes) were having resupply problems and that the two other offensive fronts, in Savate and Cuangar (both in the far south), were now calm.

Since the MPLA began its offensive on 23 December and, according to UNITA, is now in retreat, it is difficult to understand why it took until the eve of his arrival in Lisbon for Savimbi to decide that "he considers it his first duty and right to defend the people of Angola and, for this reason, his arrival in Portugal will be delayed," according to the brief communique read by Sakala.

Among those who were surprised at the reason were members of the Portuguese Forum for Peace and Democracy in Angola, which had organized Savimbi's visit. "The Forum was informed of the postponement virtually at Sakala's press conference," O JORNAL was told by trade-unionist Jose Brandao, one of the promoters of the visit.

"UNITA's technical-military explanation is not entirely convincing and, since it came 3 days before Savimbi's scheduled arrival, it left us seriously embarrassed," Brandao told us. Almost all the members of the Forum belonged to another organization, the ASDEPA [Portugal-Angola Democratic Solidarity Association], which organized Savimbi's 1988 visit, also aborted. "This is the second time that we have made the effort, contacted people and, now, nothing."

According to Jose Brandao, although the blame for Savimbi's previous no-show was primarily laid to the Cavaco Silva government, which denied him a visa, UNITA's attitude at that time left room for criticism. Savimbi's broken promise to meet with Portuguese dignitaries in Morocco left scars. Because of it, Duarte de Braganca, pretender to the Portuguese crown, refused this time to join the committee of honor to welcome Savimbi. And now, with this second about-face, many people are fed up. Freitas do Amaral—who was one of the dignitaries with whom Savimbi failed to meet in Morocco, without any good explanation, in 1988—is said to be "irritated" by this further postponement. "It is demoralizing," was how Jose Brandao described the feelings of the friends of Jonas Savimbi.

Program Put Off

It is certain that the visa issue did not come up this time. UNITA wanted to apply for visas—for Savimbi and the 20 members of his delegation—in Rabat and Portugal let it be known that it would prefer that the visas be requested in South Africa. The distinction was minor and would be resolved, particularly because an alternative was provided: The visas could be requested and authorized at the Portela Airport itself. The Foreign Ministry had already granted authorization to use the VIP lounge, to which 25 of the dignitaries on the "Committee of Honor" would have access. The arrival was scheduled for 1000 hours tomorrow, Saturday.

Although it was not divulged to the public, the agenda for the visit had already been set down in detail: a 10-day visit, from 13 to 22 January, with trips to Porto, Coimbra, and Madeira. Some of the planned events were intended to give the appearance, almost, of a state visit. Thus, Jonas Savimbi's first act upon leaving the airport would be to go to the Jeronimos to lay a wreath at the tomb of Camoes.

It was in Madeira, however, that the reception would take on an official character. There he was to be a guest of the Regional Government: luncheon at the Quinta Magnolia, which is traditionally offered to distinguished visitors, and an official dinner at the invitation of Alberto Joao Jardim. On the mainland, the reception would be less official, but high points were anticipated: a meeting with Mario Soares was considered certain, although the locale and date had yet to be determined. Soares had recently confided to individuals of the Angolan opposition that he would certainly meet with Jonas Savimbi during the latter's stay in Lisbon. Fatima Roque, advisor to the UNITA leader, told O JORNAL that a meeting with Cavaco Silva was not entirely out of the question.

Protection for Savimbi was to be the responsibility of the Personal Protective Service (the PSP [Public Safety Police] corps specially trained for such duty), not only in Lisbon, where the UNITA leader would stay at the Hotel Meridien, but throughout the country. Regarding the agenda, the bodyguards said they were only worried about Savimbi's presence at the event planned for the day of his arrival, at the Sports Pavilion.

Mobutu Jealous

Since the military explanation is ruled out and given a program that the organizers claim was sure-fire, the sudden and unexpected postponement of the visit might be explained by another visit: Cavaco Silva's visit to Washington. It is known that the prime minister is carrying a message to George Bush from Eduardo dos Santos. If public attention is focused on Portugal's participation in this MPLA initiative, coming at the same time as Savimbi's visit, UNITA could be robbed of some of the fame that it hoped to achieve in Portugal.

In asking Secretary of State Durao Barboso to go to Luanda, the Angolan president appears to have unleashed a process that fouled up UNITA strategy with regard to Lisbon. Although a government source assured us that Portugal does not want to take on the official role of mediator in the Angolan issue, the fact is that Jose Eduardo dos Santos' initiative created international expectations in this regard.

General Mobutu, who has been invested with the role of mediator up to now, must certainly be piqued. For some time now, the African countries involved in the search for peace in Angola have been critical of his actions.

Savimbi's visit to Portugal, coming at the same time as Cavaco Silva's trip to Washington, would give a prominence to the Portuguese role that Mobutu has considered dangerous.

On the day he decided not to come to Portugal, Savimbi spent 2 hours in conference with the Zairian president in Kinshasa. To postpone the visit to our country is, after all, a concession for which UNITA could exact a steep price from Zaire—the country which shares the most borders with Angola. And borders are what UNITA needs the most today.

* Congress of Exiled Cadres To Meet in Apr 90EF0193D Lisbon O JORNAL in Portuguese 12 Jan 90 p 27

[Article by Emilia Caetano]

[Text] Gbadolite was the turning point. The Angolans who are living outside their country have decided to take advantage of the new prospects for peace and are preparing to launch, in Lisbon, the bases for their participation in Angola's national reconstruction.

Thus, preparations are under way for the First Congress of Angolan Cadres Abroad, which is already scheduled for 12 to 14 April and which the organization plans to turn into an "international event."

The idea arose among Angolan businessmen living in Lisbon and later spread to other professional sectors and other countries.

The initiative has already been called "laudable" by President Jose Eduardo dos Santos, who has advocated the return of the Angolan cadres to their country.

Businessman Joaquim Viana, one of the principal organizers, told O JORNAL that the primary purpose of the congress is to discuss the ways in which Angolans abroad can take part in the country's development process. For those who may be interested, this could also be a form of preparation for their return to Angola.

The congress intends to bring together not only the cadres living in Portugal but also those who are scattered over other European countries and even in the United States, Brazil, Canada, and Australia.

One of the principal concerns is to ensure that the discussions will not be ideological or partisan in nature, even though the intent is to bring together "all the sensibilities of the Angolan society," as the businessman put it.

What "sensibilities?" Francisco Viana preferred not to answer and spoke several times of "avoiding touchy subjects." Within the organization, however, it is known that the purpose of the congress is to bring together, in Lisbon, Angolans with ties to the various political areas from the MPLA [People's Movement for the Liberation of Angola] to UNITA and the FNLA and also individuals connected with the Church and independent groups.

Invitations have also been issued to some Angolan cadres inside that country, to attend the congress as observers. One of the invited guests "in his professional capacity, not political," the organization explains, is Joaquim Pinto de Andrade, a veteran from the early days of the MPLA and a critic of the Luanda regime, who is a technician for a company in the private sector.

The participants will spend 3 days in discussion, with a broad program covering questions ranging from dual nationality to the upgrading of the Angolan cadres and the economic and cultural development of Angola.

They will also discuss the possibility of interchange between businessmen inside and outside Angola, as well as the creation of joint ventures. The return to peace will also create more solid conditions for investment.

The organization has defined its concept of cadres in a way that would enable it to bring together not only businessmen but physicians, engineers, economists, attorneys, professors, civil servants, and even journalists and artists. One of the participants will be Bonga, the Angolan singer who has been living in Paris for more than 15 years.

For the formal opening session, the organization has sent invitations to representatives of the diplomatic corps, ministries and individuals connected with Africa and "EEC people."

This week the organizers invited Cavaco Silva to preside over the opening ceremony. They had previously gone to Belem to tell Mario Soares about the objectives of the congress.

Portugal and the Angolan Solution

The congress comes at a time when Portuguese diplomacy appears to be betting strongly on Angola.

It also comes at a time when the Portuguese Government has just introduced a slight "nuance" in its policy toward that African country.

Up to now, Portugal has defended the so-called "African solution"; that is, it restricted itself to supporting the peace efforts of the countries on the African continent, specifically President Mobutu's mediation.

Now Portugal understands that, more than an "African solution," an "Angolan solution" is also necessary. The time has come to move to what the Portuguese diplomats call a "higher degree," i.e., that of promoting dialogue among the Angolans themselves, meanwhile continuing to support the peace efforts on the continent.

It was this new "model" that Durao Barroso, secretary of state for foreign affairs and cooperation, defended during his recent visit to Luanda.

Portugal believes that it is in the best position to promote the dialogue. Although it does not want the role of mediator, as a diplomatic source assured O JORNAL, it will try to find "informal formulas to get the Angolans talking to each other."

According to the same source, Portugal "discreetly and informally" is already engaged in the process.

Cavaco Silva has agreed to convey the Luanda government's new positions on the peace process to Washington. And this congress of cadres could be one of the "informal" methods of launching the dialogue among Angolans.

* Crime in Luanda, UNITA Training Viewed 90EF0193C Lisbon O JORNAL in Portuguese 12 Jan 90 p 27

[Article by Ricardo de Mello]

[Text] Violence has reached the center of Luanda. It happened precisely 24 hours after Mobutu sent a messenger to the Angolan capital, advising that he was unavailable for a meeting of the "Eight," in which the new proposals of Jose Eduardo dos Santos were to be studied.

The violence came in the form of assaults. Tally: one child killed, three seriously wounded, trucks destroyed, and many windows shattered.

Eduardo dos Santos, who appears to have gone on the offensive on all fronts, is insisting on the new summit meeting, which had already been postponed from 21 to 27 December and then to 10 January. This time it was postponed "sine die."

In the area of operations, Eduardo dos Santos decided to agree to take punitive action against UNITA, giving in to the military, who were calling for an offensive against the zones traditionally controlled by Savimbi's organization.

The results are there. A large-scale offensive in the direction of Mavinga provoked a strategic withdrawal by UNITA when FAPLA forces were 10 km from that locale.

Finally, Jose Eduardo dos Santos decided to gamble on the media front as well (as his interview with the RTP [Portuguese Radio and Television] reveals).

Anticipating Savimbi's visit to Lisbon, Eduardo dos Santos invited several of the Portuguese press organs to Angola to observe the situation at close hand and to "drink in" a little of the strategy of his government.

That strategy must not have anticipated the increase in activity of the organized gangs that created panic last week in almost all the secondary schools in the capital, as well as in some markets. The most active gang was certainly the "mao preto-caixao cheio, caixao vazio" ["black hand-full box, empty box"]. The members of this gang primarily attacked schools, carrying a box in which they put what they stole. The police have announced the capture of some of the members of the "black hand" in five districts of Luanda.

But this type of violence is not the sole cause of the social instability. In such districts as Sambizanga, there is talk of the existence of real crime lords, some of whom are former government officials.

It is believed that they are the bosses of the black market, who are evidently able to get containers full of merchandise, still sealed, out of the port of Luanda.

SOS to Moleutu

There is also political violence, in which UNITA forces young people to accompany it, while FAPLA decrees that everyone who reaches 16 years of age this year must be registered for military service.

The slight lull in the fighting on the Cuito-Cuanavale front enabled Savimbi to go to Kinshasa to ask Mobutu to use his influence to try to check the FAPLA offensive. According to Zairian diplomatic sources, Mobutu was quite apprehensive about the situation described by the UNITA leader.

Savimbi may even have urged the Zairian president to become more directly involved in the conflict, "opening his common border with Angola to UNITA penetration, thus enabling UNITA to bring its land positions into balance." But Mobutu fears that his impartiality could be brought into question.

On the side of the Angolan Government, as well, there is apparently some concern about the military situation. Chief of Staff Franca Ndalu went to Moscow this week to meet with his Soviet counterpart. The meeting comes at a time when rumors are afloat that UNITA could very soon turn up with new military equipment.

It is said, for example, that UNITA could show up, for the first time, with helicopters. Incidentally, O JORNAL has learned, UNITA will have helicopter pilots, trained in Portugal at the same base where Angolan Government pilots have been trained.

These UNITA pilots have received orders to return immediately to Jamba. Perhaps because of all these new wrinkles, many Angolans are beginning to say that if free elections were held now, a political "third force," independent and without any historical responsibilities in the Angolan conflict, would have a chance of winning.

Madagascar

* Pending Free Trade Zone Legislation Discussed

* Text of Bill Detailed

90EF0189A Antananarivo MIDI MADAGASIKARA in French 8 Dec 89 p 3

[Article: "Free Zones: Conditions According to Bill"]

[Text] It has been confirmed. The ANP [People's National Assembly] is to meet in a special session starting Sunday to examine bills concerning the new investment code and the establishment of free zones in Madagascar for the purpose of enacting them. The many investors have been given 11 days at the end of which they may finally assume positions on the matter. At least the nonresident investors. Because, for the residents, the general outlines have presumably already been conveyed to them from the horse's mouth, since the bills were sent

to the socioprofessional organizations for their opinions on them. Were these bills accepted as is or were changes made in them?

The fact remains, it is rumored in well-informed circles, that the bills—at least the one concerning the free zones—are apparently consistent with the objectives of the economic policy, to wit: the elimination of unemployment and an increase in hard currency revenue.

A company would not, for example, be eligible if it did not create a minimum of 50 permanent jobs for Malagasy nationals during its first year of operation. Also, a company operating in the free zone would be authorized to employ management personnel from outside the country amounting to only five percent of its total work force. It would be required to justify the need for any employees beyond this limit.

As for hard-currency revenue, the bill would specifically provide for the payment of local expenses and costs exclusively in hard currency. Also, any goods and services companies other than those operating in the free zones might provide would be regarded as exports.

According to generally well-founded rumors, the bill's formulation completely respects the concern for simplification and acceleration of procedures. Approval would, for example, be issued within 30 days following submission of an application. To facilitate the process, a resident visa valid for the term of the work permit would be issued to the foreign worker, but also to the company shareholders. The company's written evidence of approval would give the foreign shareholder who wishes to establish residence in Madagascar the right to be granted a resident visa.

According to these sources, the bill retains the notion of an industrial free zone (IFZ), which is generally a specifically defined zone in which one or more industrial enterprises operate with all the advantages thereby afforded it. Two types of free zone companies would be expected to operate in it: those involving promotion and operation responsible for the development as well as administration and promotion of free zones and the industrial or service companies that make use of them. A single company would be authorized to engage in the two activities, but under the administration of a promotion and operation company.

The status of the company would be fundamental in terms of taxes. Once again, according to these rumors, the first category would be subject to the company profits tax with an exemption for the first 12 years and at the rate of 10 percent starting with the 13th. The second category, on the other hand, would be subject to a withholding tax of one percent of the FOB [freight on board] value of goods exported or services rendered; the exemption would cover the first five fiscal years for industries as against the first two for companies that provide services. After the exemption period, deductions would also be provided for investments made while in operation. Also as incentives: Imports of materials,

equipment, spare parts, packaging materials, semifinished products, data-processing equipment, furniture, and even office supplies intended for the free zones would be exempt from any taxes. The same exemption would apply to goods and services exported from this country.

A company would only be eligible if its production is oriented toward exports. Moreover, the investment plan would have to be exclusively financed with hard currency. For the purpose of facilitating their operations, companies would be authorized to open hard-currency accounts in banks. For Malagasy citizens, steps would be taken by the appropriate authorities to give them access to hard currency. But citizens could participate in a free zone company with cash, payment in kind, or through usufruct. That is, the same provisions made by Malagasy law. Furthermore, a company that wanted to operate in a free zone would have to incorporate itself in the form of a company allowed by Malagasy laws.

According to these sources, the thorny question of landed property would be settled through the lease system, with free zone land belonging to the state or Malagasy citizens, and private property governed by common law. The investment code would contain a provision for transfers of capital.

Other arrangements regarding social security or the settlement of disputes would also be provided for in the bill which, according to these sources, could be subject to changes. In any event, the matter will be settled within the next few days. Patience!

* Job Aspect Discussed

90EF0189B Antananarivo MIDI MADAGASIKARA in French 5 Dec 89 p 3

[Article by Z.R: "Free Zones: Jobs, but With What Formula?"]

[Text] Will the free zone be established soon? The deputies will consider the bill after the vote on the 1990 budget. Within a few weeks manufacturers and investors will also be informed on free zone operating rules.

While there is no doubt that the state wants to apply the free zone system to attract foreign investments (several speeches, particularly the one made by MIEM [Ministry of Industry, Energy, and Mining] representatives in Mauritius last year, bear witness to this), it, nevertheless, would appear that the technicians do not always agree on the kind of delimitation, location, function, and privileges to be accorded the zone. A difficult debate indeed since some of them favorably view the delimited perimeters of processing for export with exemption from customs duties, fees, and various taxes, while the others favor free enterprise companies without delimitation of a geographical zone, but with the same advantages they would have in one.

The formula that seems to lend itself best to the Malagasy situation would be the second one, according to some operators, inasmuch as it is more flexible in permitting a company or a plant to not have to move into a delimited area. Another advantage: It enables the user to avoid all the land and real estate problems that are usually encountered in the geographical delimitation of a free zone.

But whether it is a matter of the one formula or the other, a free zone is not only a way of developing exports and increasing the profits of businessmen who benefit from the system, but especially of providing jobs for the unemployed masses. With regard to this point, it would appear that about 10 companies: French, Singaporean, and Mauritian, are only waiting for the green light to introduce and create some 6,000 jobs. The free zone could, therefore, prove to be a solution to the problem of reducing current unemployment within a reasonable amount of time.

According to the results of studies that have been made, Madagascar could perform better than many other countries that have free zones becuase of the cheap labor it possesses. In fact, in connection with this, it has been indicated that the cost of Malagasy labor is 15 percent lower than that of Mauritian labor, which gives it a chance of being more competitive in comparison with other countries in the world market. But it will still have to insist on profitable sectors like textiles and clothing.

What form will our free zone take? A bit of patience, investors!

Mauritius

* MSM 'Alone' in 1992; Idea Analyzed 90EF0155A Port Louis 5-PLUS in French 1-7 Dec 89 pp 5-6

[Article by Finlay Salesse: "What's in Store for the MSM?"]

[Text] At a meeting last Sunday Sir Anerood Jugnauth, leader of the Militant Socialist Movement (MSM), said he hoped his party would go it alone in the 1992 elections. Is ordinary ambition behind that idea—or does it spring from an inflated view of his own importance? Could it be a mere tactical ploy? All three possibilities lead to the same conclusion: the MSM wants to put some distance between itself and its political partner, Sir Satcam Boolell's Labor Party (PT), in order to have more maneuvering room, as alliances are formed in preparation for the 1992 legislative elections, in order to keep the reins of power in its own hands afterward.

It is, of course, quite legitimate for a party leader like Anerood Jugnauth to try to promote his party's interests. Given the circumstances surrounding the birth of the party, one must admit the MSM has come a long way since the great rupture of 1983: one victory after another, culminating in the triumph of 11 June when—alone against the entire field—it succeeded in electing its

candidate, Cyril Cure, in the Vacoas/Phoenix byelections. It was, of course, merely one race, but it gave the MSM a tremendous boost, since all the political observers pronounced it a personal victory for Anerood Jugnauth.

It would be hazardous to argue a direct cause-and-effect correlation here, since many factors have helped put the MSM on the political center stage, which it has occupied of late. Those factors include the departure of the PMSD [Mauritian Social Democratic Party] from the government and the trial of its leader, Sir Gaetan Duval, which paralyzed the party (even though it held some moderately successful rallies); the breakdown of the MMM [Mauritian Militant Movement], which has been wracked by internal crises since its last congress; the chronic immobility of the Laborites, which not even the exertions of Dr Arvind Boolell could overcome; and finally the marginalization of Harish Boodhoo. It's been all quiet on the opposition front, and balmy economic weather to boot, a situation that has worked to the advantage of the MSM and its leader, Anerood Jugnauth.

All this has buoyed up Jugnauth's self-confidence to the point that he thinks it is now high time to plan for the MSM's future. Indeed, it would be a mistake not to take advantage of such an opportunity. That is what was behind the comment he made last Sunday. It is also clear, now that Sir Anerood has come to dominate the local political landscape, that the MSM has assumed a commanding position and can no longer be dismissed as either a "rump" party or a dissident faction of the MMM. It is even taking steps to forge ties to parties in other countries—a field of activity previously monopolized by the MMM. The opening toward other countries in the region is one manifestation of this. The MSM's aim now is to convince Mauritians it is a truly national party-if not a national unity party-and thus form a government by itself in 1992.

But there's many a slip twixt cup and lip, and it is by no means obvious that the MSM such as it is-or at least such as it is perceived to be-can hope, without major changes between now and 1992, to win the legislative elections by itself. On the other hand, the MSM leader himself has already taken one giant step in the right direction by completely transforming his personal image in the matter of a few months. The best and most recent evidence of this change was the letter of apology he sent to the editor in chief of L'EXPRESS (people still can't believe he did it), to the chagrin of Herve Duval in Parliament last Tuesday. Some people see this metamorphosis of wolf into lamb as a mere tactical ploy to anesthetize public opinion, a perspective they believe is confirmed by his insensitivity to the public outcry against increases in television license fees and the use of tear gas against MMM elements at MBC [Mauritius Broadcasting Corporation] TV headquarters last week. Another school of thought holds that Sir Anerood has become an outright megalomaniac, to the point that he has deluded himself into thinking he is strong enough to win the next elections all alone. In this reading, it is argued that his numerous personal triumphs, his success in managing the government, and his train of sycophantic courtiers have ended up distorting his perception of the social and political situation—as in the television license fee issue—thus leading him to his current strategy. Consequently, he will have no one but himself to blame if he is wrong.

Or perhaps Jugnauth, as a better tactician than the others, is merely shuffling the cards to shake up the local political scene. This possibility cannot be excluded, considering that ever since the 1987 elections the PT has been proclaiming from the rooftops through its spokesman Arvind Boolell, that it would be the driving force in the Alliance in the next elections. In this interpretation, it could be a psychological ploy intended to calm a partner that has grown too restless, especially in the aftermath of the television license affair. The wily politician is nobody's fool. Already several well-placed Laborite "apparatchiks" are trying to convince people that the prime minister did not really mean what everyone thought he meant. This shows the extent to which his statement has caused opposition leftists to consider their options in the event the PT finds itself out of the government before 1992. But Anerood Jugnauth is not one to take unnecessary risks. He knows he can count on the support of a faction of the MMM in case there is an upheaval in the Alliance. It is no secret anymore that bridges have been strung between the MMM and the MSM, nor that they have been further reinforced since the highly publicized Jugnauth-Berenger meeting on the docks some time ago. Some observers point to the [tear gassing) incident in front of MBC's headquarters as a possible obstacle to good relations between the two parties, but others respond by brandishing the photo of the reunion of the two former comrades on the platform of the UBIW [Union of Bus Industry Workers]! And there are those who have noted a radical change in the tone of the MSM's foreign policy. Its tough new position on [the return of] Diego Garcia and Tromelin is so close to the MMM line that something fishy must be going on.

The MSM's stock is flying high today, and its leader—by claiming to want to go it alone in the elections—has skillfully positioned the party to be the focal point of all the bargaining for alliances between now and the 1992 elections. The MSM will be a part of—or the target of—every deal struck. At one point, right after the departure of the PMSD, the PT was in such a position. But for the MSM to reach that point, it will have to become a real party—unlike what it was following the schism of 1983. Beyond 1992, the signs we have been seeing suggest it may start having internal problems of its own.

* Islamic Cultural Trust Fund To Be Built 90EF0155B Port Louis WEEK-END in French 24 Dec 89 p 35

[Article: "SAJ Says Islam's Reality Cannot Be Ignored: Launching of 'Islamic Cultural Center Trust Fund"]

[Text] The launching of the Islamic Cultural Center Trust Fund this week gave Prime Minister Anerood Jugnauth the opportunity to reiterate his support for great cultural achievements and cultural diversity. "We want to see peace and harmony reign throughout the country, and we want Mauritius to continue setting an example for the whole world," he said before an audience of dignitaries meeting at Sir Harilal Vaghjee Hall last Wednesday.

Sir Anerood (SAJ) began by saying that all his efforts were devoted to realization of the government's ideal of achieving unity in diversity, peace, and harmony. "It is only by mutual respect that we will achieve our objective," he noted.

He said that he was not showing any favoritism to the Muslim community in launching the Islamic Cultural Center Trust Fund. "We can't ignore the reality of Islam, whose adherents constitute a substantial part of the population. We are carrying out our responsibilities and meeting our obligations. In the long run, that is in the nation's interest." Sir Anerood launched an appeal to the various religious communities to learn more about the other faiths, "because all religions and all cultures are good."

The Islamic Cultural Center, it will be recalled, is to be built on Rue de la Paix in Port Louis on two acres of land obtained from the government. The Saudi, Indian, Malaysian, and Pakistani Governments, as well as several international organizations, will contribute to the construction of the center. Mauritian Muslims in attendance contributed more than 125,000 rupees at the meeting.

* China Promotes Teaching of Mandarin 90EF0187A Port Louis I.E MAURICIEN in French 9 Jan 90 p 4

[Article by Harish Chandunsing: "Sino-Mauritian Agreement: A New 'Impetus to Teaching of Mandarin"; first two paragraphs are LE MAURICIEN introduction]

[Text] The teaching of Mandarin is destined to expand rapidly in the months to come.

In fact, the Chinese Government has decided to send two more teachers to support the two teachers already at work, currently assigned to the Mahatma Gandhi Institute.

Furthermore, China will place two scholarships at the disposition of the Mauritian Ministry of Education for the training of Mauritian teachers in Mandarin.

The Chinese Government will also make a gift of teaching materials for the promotion of Mandarin.

These decisions were approved in December during a working session that a delegation from the Chinese education commission had with officials of the Mauritian Education Ministry last December. The five-member Chinese delegation was headed by M Li Shun-Xing, deputy director of the department of international cooperation.

* India Finances 3 Agalega Island Projects 90EF0187B Port Louis WEEK-END in Frenck 7 Jan 90 p 13

[Unattributed article: "India Is Financing Three Projects"; passages within slantlines published in English]

[Text] The Indian Government will finance three projects at Agalega within the framework of an agreement of the fifth mixed Indo-Mauritian Commission. The three projects appearing in that cooperation agreement are: A garbage dump and a system for stocking and distributing drinking water, facilities for the manufacture of coconut cord, and a causeway to connect the two islands of Agalega.

Pursuant to the recommendations contained in the techno-economic study of Agalega completed in 1988, the Indian Government, at its expense, has made up plans for a garbage dump, and for a system for the stocking and distribution of drinking water in the Mauritian dependency. It was also decided that India would provide machines for the manufacture of coconut cord. The list of equipment is made up as follows: /husk bursting machine, turbo-shifter, fiber cleaning machine, dust extracting unit, spare bobbin for curling machine./ At first, India will assign an expert for a period of about two months for the installation of this equipment. Subsequently, a second expert will provide training to the workers and arrange to put the system into operation.

The Indian Government will prepare, again at its own expense, plans and specifications for the construction of a causeway that will connect the north and the south of Agalega, which actually are two separate islands.

The /Outer Islands Development Corporation/ had, however, presented as a priority project the construction of a jetty and an anchorage point to permit supply ships to come alongside. Agalega has no natural port, which makes the transfer of merchandise very difficult and costly. It is not yet known why India rejected the

corporation's proposal to transfer the funds from plans for the causeway in order to carry out those for a wharf.

Two other corporation projects were not accepted by the mixed Indo-Mauritian Commission. These were proposals for the sending of experts in two sectors, namely [one] for coconut plantations, and a civil engineer for infrastructure development.

Mozambique

* Machungo Accepts Investigation of Property 90EF0135A Lisbon DIARIO DE NOTICIAS in Portuguese 20 Dec 89 p 44

[Text] Mario Machungo, head of government of Mozambique, declared yesterday in Maputo that he is willing to submit to an investigation of his personal assets and of their source.

S_J taking before the deputies of the People's Assembly at the seventh session of that body, Machungo was reacting to speeches by several deputies on the subject of corruption and abuse of power allegedly involving members of the government.

Deputy Sergio Vieira had declared last Monday that the situation through which the nation is passing at the present moment is conducive to the appearance of "new Kavandames," in reference to those who "get rich from the poverty of the people and of the soldiers."

In the history of Frelimo [Mozambique Liberation Front], Kavandame personifies the exploitative leader who uses the cheap labor in the liberated areas for his personal profit.

"I am willing to have an investigation conducted into my personal assets and their source," Machungo told the People's Assembly of Mozambique.

He further stated that the Parliament has the power to pass a motion of censure of the government's performance.

Machungo—who is also a member of Frelimo's Political Bureau—added that the People's Assembly is not prohibited from bringing a formal accusation against corruption in the government.

Another deputy, Eduardo Nihia, had said Monday that the nation is run by a "government of brothers...and among brothers nobody gets punished."

* Frelimo's Single-Party Position Noted 90EF0135B Lisbon O DIABO in Portuguese 19 Dec 89 p 25

[Text] The first official reaction of the Mozambican single party—Frelimo [Mozambique Liberation Front]—to the changes taking place in Eastern Europe was to reaffirm its refusal to allow the formation of new political parties, a source in the People's Assembly (now meeting in Maputo) said in the middle of last week.

According to the same source, Frelimo has apparently concluded—from its analysis of the situation in Mozambique—that "the Mozambican people do not feel" the need for a multiparty system, and that they "continue to view the Frelimo party as the vehicle for defending independence, consolidating national unity, and guaranteeing the nation's territorial integrity and economic and social progress."

For its part, Renamo—the Mozambique National Resistance—replied as follows to the position taken by the government:

"Frelimo will have to recognize and accept the fact that a new posture is called for on the part of its government not only with respect to the dramatic situation in the nation but also with respect to what is taking place in the communist world and the demolition of everything on which its radical elements based their actions from an ideological standpoint."

The moderate tone used by the rebel movement leads one to believe that the talks currently being held in Nairobi between the two mediators designated to negotiate the Mozambican civil war—President Daniel Arap Moi of Kenya and President Robert Mugabe of Zimbabwe—have put the conflict on the road to a conciliatory (albeit long-term) solution. A communique issued in Nairobi by the Kenyan foreign minister was limited to stating that the two presidents had decided on the steps to be taken to maintain the momentum of the peace process.

Interviewed in Nairobi, Renamo president Afonso Dhlakama said that Arap Moi and Mugabe favored talks between government and rebel negotiators without preconditions. This statement by the Renamo leader was contradicted in Maputo, however.

The two contending sides are obviously attempting to take up clearly defined positions. The rebels, however, do not appear willing to lay down their arms so long as Frelimo has not definitively agreed to the establishment of a regime of civil liberties, for during October and November the guerrillas of the Resistance were operating not only in the south of Mozambique but also in the territory of Zimbabwe. According to a report published in Harare, capital of Zimbabwe, they carried out 44 attacks on the area known as the "Beira Corridor," the defense of which has been specially entrusted to the expeditionary force sent by President Robert Mugabe to fight in Mozambique.

* Bank Governor Opens Advisory Council 90EF0150A Maputo NOTICIAS in Portuguese 22 Dec 89 p 1

[Text] Dr Eneas Comiche, governor of the Bank of Mozambique [BM], said yesterday in Maputo at the opening session of the Advisory Council to the Governor of the Bank of Mozambique (the session will continue through tomorrow) that whereas in 1987 and 1988 the limits imposed on the expansion of credit to the economy had satisfied the demand for credit without serious difficulty, there has been greater pressure on credit in the year just ending "as a result of the various constrictions that continue to impact the efficiency of the productive sector and other sectors."

Eneas Comiche made this statement in speaking of the degree of compliance with the monetary and credit policy established for the year just ending.

"In this context," he explained, "monetary expansion in 1989 was below the rate of inflation for the year, and as a result a portion of the excess liquidity available to the participating economic units was absorbed."

The governor of the Bank of Mozambique cited as an example the fact that according to data as of 10 December of this year, 6,355 credit transactions for a total value of 169 million contos were concluded and 1,237 requests for credit totaling 81 million contos were denied.

He said one should always bear in mind that credit is a supplement to the self-financing of the individual economic units and not the exclusive source of resources for those units. "The enterprises should adapt their financial structure to the volume and nature of the busicess they conduct," he added, "for the rules governing financial equilibrium—as expressed by the relationship between self-financing and financing from external sources—must be complied with."

Noncompliance With Repayment Plans

The governor of the Bank of Mozambique believes, on the other hand, that an analysis of the balance of liquid credit available at a given moment often confirms "that its growth is inhibited by borrowers' noncompliance with the schedules for repayment of the loans granted. As we all know," he explained, "expansion of credit depends on the extent of repayment of the credit granted and used—that is to say, the amounts repaid increase the capacity for the granting of new loans."

Among the explanations for nonrepayment of loans on the scheduled due dates, he said, "we found a group of factors that revealed the continued existence of a low level of efficiency in the economic units and in the sectors related to them—banking, the public sector, and the private and cooperative sector." The BM governor concluded that the problem with respect to financing economic activity does not, therefore, involve credit limits but rather "finding a solution to the constrictions that still exist and that result in a slow turnover of the capital available for lending. Part of the problem," he added, "may lie within the Bank itself."

Austerity Policy

In the view of Dr Comiche, an austere credit policy does not necessarily mean a policy that would be restrictive or that would induce a recession. "To be specific," he explained, "it will not be a negative influence on economic growth, nor will it reduce per capita productivity, if it is compensated by greater efficiency and profitability in the productive sectors." He added that the monetary and credit policy aims to encourage the participating economic units to put to profitable use all the scarce resources that are available.

"Credit," he explained, "is only one of the instruments of economic policy for increasing production and efficiency. The principal instrument continues to be better organization and management of the productive sector."

In his address Comiche noted that another important instrument for readjusting the economy is the limitation on expansion of the money in circulation; for if loans are not repaid on schedule, the granting of new loans translates into pressure to put larger quantities of money in circulation, and this, he said, has negative repercussions on the rate of inflation because increasing the payment instruments available to the participating economic units puts pressure on consumption without achieving any corresponding increase in production.

This session of the Advisory Council to the Governor of the Bank of Mozambique involves 70 participants, including administrators, directors, inspectors, branch managers, and persons invited by the BM and the BPD [People's Development Bank]. The agenda for discussion comprises the new accounting system and its implementation at the Bank of Mozambique; an analysis of the degree of implementation of the decisions taken at the previous session of the Advisory Council; the plan for the development and implementation of data processing systems; and information concerning the PRE [Economic Rehabilitation Program] and its projections, with emphasis on monetary, foreign exchange, and credit policies.

* UN Population Group To Finance Projects 90EF0150B Maputo NOTIC!AS in Portuguese 22 Dec 89 p 1

[Text] The UN Fund for Population Activities (UNFPA) provided \$2.5 billion [as published] to fund the areas of maternal and infant health and family planning for the period 1986-1989. This project, according to the UNFPA director in our country, Rogelio Castilla, is about to terminate, to be followed by an intermediate

phase of 2 years beginning with the first months of the coming year and involving funding in the same or an even larger amount, according to the terms of an agreement with the Mozambican Government.

Rogelio Castilla spoke recently with our newspaper concerning the UNFPA projects involving various sectors of activity in Mozambique including health, information, education, and social communications; the OMM [Organization of Mozambique Women]; and the National Planning Commission, among others. He said that in the area of health—in addition to the \$2,500 [as published] in aid—an emergency program for maternal and infant health and family planning was funded in the amount of \$800,000 for the period 1987-88.

He also explained that in the area of maternal and infant health the UNFPA has been funding the training courses for SMI [Maternal and Infant Health] nurses since 1981, adding that under this program approximately 300 SMI nurses had been trained and funding provided for the restoration of hospital units in the provinces and for other purposes.

The UNFPA director explained that the function of the Emergency Health Program is basically to supply equipment for the public health facilities, restore infrastructure, and supply medicines.

Rogelio Castilla went on to say that since 1983 the UN Fund for Population Activities has also been supporting the training programs for the nation's traditional midwives.

As we have stated, the UNFPA is funding a number of projects in our country that are being carried out in various sectors of activity. One of the areas covered by the funding—in addition to health—is education, information, and communications. In this area the UNFPA provided a total of \$1,300 [as published] for the same period (1986-89). As in the case of health, this area will also benefit from an intermediate phase of 2 years—with funding in the same amount—beginning in 1990.

The cooperation provided in the general area of education, information, and communications involves support for the plans to introduce—in the elementary schools of the first level—the teaching of biology, which among other topics includes an introduction to the population question. The UNFPA director also announced that this year the book dealing with that topic was introduced experimentally in some of the nation's schools. This project is being carried out by UNESCO with funding from the UNFPA.

He further stated that in the specific area of information, the UNFPA is financing "social communication" projects designed to inform the population and to teach selected technologies and other subject matter including the construction of ovens of improved efficiency.

The projects of the Organization of Mozambique Women—namely, the training of activists to work in various fields and the creation of courses of practical utility—also receive aid from this UN organization. According to Rogelio Castilla, 600 activists of the Organization of Mozambique Women are currently working in the rural areas to bring the Maternal and Infant Health and Family Planning programs to these communities, adding that the initial goal of 800 activists trained to work in this field would be attained by the end of the current year.

The UNFPA said that the work in conjunction with the OMM also included training courses in the identification, formulation, and management of small projects; administration; and bookkeeping. A total of 50 women from all the provinces participated in these courses. For the implementation of these projects the OMM received aid in the amount of \$500,000, and the same amount will be provided to the OMM over the next 2 years under the terms of an agreement between the two parties.

The UNFPA director also explained that during the same period the UNFPA devoted particular attention—in terms of funding—to the preparation of the second general census of the population, to be carried out in the decade of the 1990's. He added that scholarships have currently been awarded for study abroad in the areas of data processing for demographic censuses and cartography for censuses. In addition, courses were instituted at the national level dealing with topics relating to the organization and administration of censuses and the analysis of demographic data.

* Official Reveals Increase in Number of Refraces 90EF0150C Maputo NOTICIAS in Portuguese 21 Dec 89 p 3

[Text] Alfredo Gamito, vice minister of agriculture and acting national coordinator of the Emergency Program, said yesterday in Maputo that there has been an increase in the number of domestic refugees who need food aid from the international community. On the other hand, the number of persons impacted by the natural disasters and by the war—who depend primarily on the distribution of food by the commercial sector—was reduced by I million.

Speaking at a press conference held for the purpose of evaluating the results of the first 6 months of the third Emergency Aid program of 1989-90, which was initiated by the Mozambican Government at the meeting with donors held in New York last April, Alfredo Gamito noted that the number of refugees requiring aid increased to 2 million from 1.7 million, whereas the number of persons impacted by the natural disasters and by the war declined to 1.8 million from 2.8 million.

The decrease of 1 million in the latter figure was achieved in part by the countless efforts made in various regions of the country to reintegrate these persons into productive activities. In the effort to reduce the dependency of the refugee families on the free distribution of

food, 8,618 tons of seeds and more than 900,000 agricultural tools were distributed.

Alfredo Gamito emphasized that these two actions contributed significantly to the reduction in the number of persons in our country who are impacted by the natural disasters and by the war.

The response of the international community to the appeal of our country's government for the 2-year period 1989-90 was seen as generous but significantly under the level of the previous years. In this connection, the acting national coordinator of the Emergency Program announced that as of last 30 September a total of \$279.4 million had been promised—only \$176.4 million of which represents firm promises—to meet the needs set forth in the appeal for 1989-90, which were estimated at \$362 million.

A document distributed to the domestic and foreign press representatives present at the ceremony indicates that the immediate concern of the Mozambican authorities is the low level of the promises of food aid both for free distribution and for distribution by the commercial sector. The document further states that as a result there are shortages in the stocks of staple food products in the provinces, resulting in a reduction in the daily ration of 1,407 calories per person for free distribution. Moreover, those urban areas that are anally dependent on food aid via the market system have experienced shortages in the supply of the corn, cooking oil, and sugar distributed by that system.

The logistic and road repair sectors received no aid at all during the period of this appeal by Mozambique. It should also be emphasized that not all of the aid promised by the international community in response to the second appeal—that is to say, the appeal for 1988-89—has yet arrived.

Asked whether the delay that has taken place in the fulfillment of the promises of the international community could be the underlying cause of the delay in the publication of the results of the investigation conducted by the Council of Ministers to verify the accusations of the diversion of emergency supplies, Alfredo Gamito explained that the two commissions have already submitted the report on the matter to the government. "We anticipate that the government will make an analysis of the problems encountered by the commissions," he emphasized.

The acting national coordinator of the Emergency Program took the occasion to diclose that of the 449 trucks requested in the current appeal, only 20 had been received at the Department for the Prevention and Relief of Natural Disasters. He also said that 54 other trucks in connection with the previous appeal did not begin to arrive in Mozambique until early last May.

It should be noted that the 449 trucks are consigned to the Department for the Prevention and Relief of Natural Disasters, the commercial supply network, and private carriers.

"An additional 60 pickup trucks—promised in connection with the 1988-89 appeal—are expected to arrive before the end of the year for delivery to small businesses," the aforementioned document distributed yesterday to the press disclosed. "Since May the armed bandits have destroyed 11 trucks of the Department for the Prevention and Relief of Natural Disasters and 8 trucks of the Ministry of Transport and Communications."

* Soviet Helicopters Facilitate Aid Delivery 90EF0150D Maputo NOTICIAS in Portuguese 20 Dec 89 p 3

[Text] The process of supplying the populations living in the zones of difficult access in the northern region of the country improved significantly in the past 8 months after a fleet of six helicopters and several aircraft of the Antonov type belonging to the Soviet airline Aeroflot went into operation in May of last year.

Both the helicopters and the Antonov aircraft are in our country to carry out rescue missions in behalf of the populations afflicted by the war and by the natural disasters, as part of the contribution of the Soviet Union to the emergency programs in Mozambique.

These aircraft are forming an air bridge to the provinces of Tete, Manica, Zambezia, Nampula, and Cabo Delgado and have already transported more than 1,300 tons of food products, ceramic ware, and medicines, saving in this way the lives of thousands of persons impacted by the natural disasters.

Petr Gorin, commander of this fleet of aircraft, said that the work being done by his helicopters is extremely useful, because if it were not for them many persons would die of starvation.

He went on to emphasize that these aircraft have had to carry out several emergency operations for Nabui District in Cabo Delgado Province to rescue more than 3,000 afflicted persons.

"Our planes," the commander said, "are working constantly. The people living in the regions that are difficult to reach by land wan! to live, dress, and sleep well, just like anyone else. For that reason, and despite the difficulties with military security, we're going to carry out our operations there and then return."

The distribution of food and medicines to these regions is being carried out from the city of Beira, Sofala Province, on which the air bridge is based.

* Sweden To Finance Agricultural Programs 90EF0150E Maputo NOTICIAS in Portuguese 20 Dec 89 p 3

[Text] The Kingdom of Sweden has made available to Mozambique the sum of 88 million Swedish kronor (1 Swedish krona is equivalent to 1,130 metacals) in support of the agricultural sectors for the period 1990-92.

An authorized source in the Ministry of Agriculture told our newspaper yesterday that this sum will be used from next 1 January through 30 June 1992 and will mainly involve aid to the Mozambican seed production enterprise, agricultural research, and institutional support to the national directorate for the agricultural economy and to the geographic and census services.

To attain this objective the governments of Mozambique and Sweden last Saturday signed a bilateral agreement. The relevant documents were signed by Mozambican Minister of Agriculture Alexandre Zandamela and by the Swedish ambassador accredited to our country, Lars-Olof Edstrom.

On this occasion, according to our source, the Swedish aid to the Manica forest products industry was also renewed, likewise for a period of 2 years. This sector will receive from the government of that Nordic country the sum of 20 million Swedish kronor, to be used in the development of that timber growing and processing unit.

The two parties also agreed to restructure and rationalize the enterprise IFLOMA, and a committee that includes Mozambican and Swedish technical experts is already studying the mechanisms for implementation of this process.

The bilateral cooperation between Mozambique and Sweden embraces various fields of economic and social development in our country. Swedish participation is particularly noteworthy in the marketing of agricultural surpluses for the population, industrial rehabilitation, the balance of payments, and also the Emergency Program.

Namibia

* Constitution Unlikely Before End of Year 34000321A Nairobi THE WEEKLY REVIEW in English 15 Dec 89 p 51

[Text] Nambia's newly-elected assembly has completed the first phase of writing a constitution for independence in 1990, but political analysts said the chances of finishing it by the end of this year were slim, Reuters reported. Mr Theo-Ben Gurirab of the dominant South West Africa People's Organisation (SWAPO) has said he would like a constitution drawn up by Christmas, but disagreements with the other six parties in the two-week-old assembly have put this time-table in doubt. Swapo fought a 23-year guerrilla war against South

African rule, until last December when Pretoria agreed to an independence package brokered by the United States and the Soviet Union. Under the independence plan, a constitution must be approved by two-thirds of the assembly, and Swapo has only 41 of the 72 members.

In presenting their constitutional proposals on Tuesday last week, the major parties agreed on the need for a mixed economy, free enterprise and joint state ventures, as well as a bill of rights and an independent judiciary. But other parties objected to Swapo's proposal for an executive president empowered to govern by decree and suspend the bill of rights in the case of a national emergency. Opposition is led by Swapo's main rival, the Democratic Turnhalle Alliance (DTA), which has 21 seats. The DTA, labelled pro-Pretoria for taking part in interim governments and opposing Swapo's armed struggle, is backed by three smaller parties, who have eight members between them, giving them an effective veto. They want the president to be a ceremonial head of state with limited executive duties. The proposals will be referred to a committee entrusted with identifying common ground and disputes which was to report back this week. While there is no deadline for independence, Mr. Javier Perez de Cuellar, secretary-general of the United Nations, which is monitoring the process, has set 1 April 1990, as a target date.

* Independence Prompts Return of Refugees 34000321B Johannesburg CITY PRESS in English 26 Nov 89 p 15

[First paragraph is introduction]

[Text] Zb Molefe, who spent two weeks in Namibia during the election, interviewed returned refugees on the eve of the writing of the new nation's constitution.

There is new hope at the Kerk van Paulos in Rehoboth, south of Windhoek, where 43 returnees and their children wait to be taken back to homes abandoned during the war.

Returnees are the Namibians who were forced to flee to Angola when the war took over their homes in northern Namibia.

Since they returned to their homeland they have been housed at quarters in the church, which is run by pastor Willem de Klerk.

They live on World Food Organisation rations of mealiemeal, beans and fish. There is nothing else to fill their empty hours as they wait for officials to take them back to their old homesteads.

Their faces alone tell of heart-breaking stories. They long for their homes, often hundreds of kilometres from Rehoboth. "I don't know what I'm going to do when I return home. It depends on the new government," said Ignatius Shetuyenga, 32, a Swapo [South-West African People's Organization] member who qualified in Angola as an agricultural worker.

He is perhaps one of the lucky few, for he left his homeland Namibia knowing very well that he was going into exile—maybe never to return.

He was certain he could not stomach South African occupation in northern Namibia. The homestead tax they had to pay to the South African authorities was another factor unacceptable to him.

In 1977 he went into exile and settled at Lubango in Angola.

"My main purpose was to go and learn how to fight—then come back to Namibia and fight those who were occupying our land.

"I wanted equal rights and schools for my people. There was also racial discrimination. I had to fight these things. My concern at the moment is to be reunited with my family."

Ten years of painful exile are written on the face of David Uugueu, 71, who does not know how to trace the nine children he left behind in Angola.

He tells of the day in 1979 when his house in the Nongombe, Ongonga region in northern Namibia was destroyed by the South Africa Defence Force.

The South African forces, according to Uugueu, were chasing armed Swapo Peoples Liberation Army of Namibia (Plan) guerillas. Two of the wounded guerillas strayed into Uugeau's village. As a result the village was destroyed by the South African troops.

Uugueu goes on: "I went to Angola. There I joined Swapo at a base called Greenwall. I underwent three weeks training. After that I looked after mentally-ill patients at the base."

But he misses his children, he keeps on repeating.

From there it is obvious the old man finds it painful to continue.

Albertina Ndaverongeda, 53, a mother of four, said she left Namibia in 1981 because of the war.

"The only way to rebuild my life now is to work. There is going to be a lot of work in Namibia now. I'm prepared to do anything for an independent Namibia," she said.

She came back to Namibia with her youngest child and left the other three working for the Angolan armed forces.

She tells a tale of how her husband was captured by South African soldiers and probably killed.

"We were working in the fields when the soldiers came. My husband spoke to them when they said they were looking for some people. Maybe his mistake was that he addressed them in Afrikaans. The soldiers insisted he knew too much and took him away. That is the last I saw of him."

In Angola during her exile she was trained to use a sewing machine. One dream kept her going.

"I knew Namibia would be free one day."

Zambia

* Agreement With Algeria To Increase Trade 34000294A Lusaka TIMES OF ZAMBIA in English 16 Nov 89 p 2

[Text] Zambia and Algeria will soon exchange trade delegations to assess imports and exports possible between the two countries following the signing of an agreement in Lusaka yesterday.

Foreign Affairs Minister Cde Luke Mwananshiku and Algerian ambassador to Zambia Mr Madjid Bouguerra signed the agreement with an appeal for enhanced intra-African trade activities.

Cde Mwananshiku said the signing ceremony was to bring into effect a 1981 agreement already ratified, adding that the two countries should start exploring each other's trade possibilities to identify viable commercial activities.

He hailed Algeria as an ally from 1964, which had consistently supported Zambia's development endeavours.

Zambia regarded Algeria as an important bridge between Northern and Southern Africa capable of boosting links between the two regions.

The political relations of the two nations were "excellent" but the economic side needed to be strengthened.

Mr Bouguerra said the agreement was important and showed the two countries' determination to improve trade ties.

The agreement provided the ministers responsible for trade and industry a framework for active cooperation while doing the same for the private and public sectors.

Meanwhile, Zambia has asked Iran to help in harnessing the abundant water resources in its many rivers for irrigation purposes to boost agriculture.

Prime Minister Cde Malimba Masheke told a four-man Iranian delegation led by director-general of economic cooperation Mr Reza Shahsavari at his office, Zambia looked forward to learning from Iran.

"Zambia has many rivers but it is not utilising this water very much.

"In your country I saw how water is utilised from the few rivers you have using simple methods. We want to see that knowledge transferred here," said the Prime Minister.

He said the visit by the delegation was a sign of blossoming relations between Zambia and Iran.

Mr Shahsavari said the future of Zambia-Iran relations which are only a year old, looked bright judging by the level of cooperation so far initiated.

Despite the distance between the two states, Iran had supported Zambia's fight against apartheid and its role in the liberation struggle.

Iran, he said, had a deliberate foreign policy of expanding ties with African countries.

* West German Aid Conditional on IMF Accord 34000294C Lusaka ZAMBIA DAILY MAIL in English 7 Oct 89 p 1

[Text] West Germany has offered Zambia over 18 million Deutsche Marks (K162 million) in technical cooperation in appreciation of the government's economic restructuring efforts and its willingness to reach an agreement with the IMF.

West German embassy first secretary, Graf Waldersee, said his country stopped new loans to Zambia after its abandonment of the IMF programme.

He said his government was assessing Zambia's economic restructuring efforts and its attempts to normalise relations with the IMF with a view to stepping up assistance.

He recalled that when Zambia abandoned the IMF programme in May 1987 and imposed a 10 percent ceiling of debt servicing from the country's total export earnings, his country did not receive any servicing from Zambia resulting in an accumulation of 27.55 million Deutsche Marks in arrears to date.

West Germany has expressed willingness to write-off Zambia's debts in the country was ready to carry out economic reforms in collaboration with the IMF and the World Bank.

Latest German aid offers to Zambia are for rehabilitation of rural roads, 920,000 marks for repairing feeder roads for which an agreement has already been signed, 10 million Marks for rehabilitation of the Zambezi-Mutanda road, 6 million Marks for rural water supply to Central Province, one Million Marks for equipping Zambia Railways and 800,000 for training Zambia Railways signalling systems staff.

Meanwhile, German Minister for Federal Affairs of Northrhine-Westphalia, Mr Guenther Einert, is expected to arrive in the country tomorrow for a four-day visit. The minister will be here as a guest of the Fredrich Ebert Foundation—a non-governmental organisation which has strong economic co-operation with Zambia.

Zimbabwe

* U.S. 'Taking Hesitant but Positive Steps' 34000106D Harare THE HERALD in English 21 Nov 89 p 4

[Text] As East Europe goes into convulsions of momentous political change, the United States seems to be undergoing one of its own, and apparently under the cover of the turmoil in the Communist world.

But unlike the European change, which one cannot as yet tell if it is going to be for good or bad overall, the American one seems at first sight to be positive. This, however, places the Bush Administration on a direct collision course with the powerful Israeli lobby in the United States.

Were it not for the European turmoil, which has drawn the attention of almost all the special interest groups in the US, there would have already been loud protests over Mr Bush's public criticism of the Zionists for their treatment of Palestinians and their refusal to accept any reasonable suggestions for talks with Palestinian representatives.

Mr bush has also been critical of Israel's military ties with the racist South African regime. He expressed his concern to the Zionist Prime Minister, Mr Yitzhak Shamir, who was recently in Washington.

The handling by Israeli troops of Palestinian demonstrators has striking similarities to the tactics used by South African forces when suppressing demonstrations by blacks in that country.

Besides the joint development of an advanced and nuclear-armed ballistic missile, the South Africans are known to be using Zionist technology to develop a new fighter aircraft.

South Africa wants to regain the air superiority it theoretically held before Cuito Cuanavale and Israel, another world pariah, is the only country prepared to offer the technology the racist regime so desperately needs.

The South Africans' electrified border-fence, which last week was reported to have already claimed 89 lives, was erected under the supervision of Israeli expatriates.

Such intimate cooperation, including the exchange of information on how to deal with civil rights campaigners and nationalist freedom fighters, has not gone unnoticed by American governments. Few, if any, have, however,

been as bold as President Bush's, which has gone public with presidential criticism of Israel.

The Americans, who early this year listed the African National Congress [ANC] of South Africa as a "terrorist organization", has since made an about-turn and the ANC is being allowed to open an office in Washington.

At the rate Washington is going, it will not be long before Cde Yasser Arafat, President of the State of Palestine, is allowed to visit the United Nations again.

America cannot be expected to move any faster at the moment than it already is. However, should it maintain the momentum the chances are that the vogue of solving regional conflicts, which the world seems to be enjoying, might also engulf the Middle East.

The Namibian Solution could easily be applied to the Palestinian Question, but only if the superpowers put their minds to it. At present the US seems to be taking hesitant but positive steps. Hopefully these will develop into less tentative actions.

* UN Reports 85,000 Mozambique Refugees 34000107A Harare THE HERALD in English 11 Dec 89 p 7

[Text] A sudden influx of 700 Mozambican refugees every month after more atrocities committed by the MNR [Mozambique National Resistance] bandits, has pushed the population of refugees in camps in Zimbabwe to 85,000, says a spokesman for the office of the UN High Commissioner for Refugees in Harare.

In September the population was 80,000 while last year it was 74,173 with 63,361 in 1987. The high birth rate in camps was also causing great concern, the spokesman said.

The spokesman told The Herald that in one camp 120 babies had been born a month and the figure had now been reduced to 78 because of family planning and the spokesman paid tribute to the Ministry of Health for its help.

During the year, more than 1,000 Mozambicans badbeen repatriated at a cost of \$33,680 out of the \$94,000 committed for this. A total of \$5 million had been spent caring for the refugees this year.

The refugees were encouraged to participate at every level in the life of the camps. They were divided into administrative units of small committees to oversee their activities in health, sanitation, education, food and agriculture.

The committees advised the camp administration on the needs of refugees and acted as channels for the administrative directives.

* Chidzero Reviews Measures To Improve Economy 34000106A Harare THE HERALD-BUSINESS HERALD in English 7 Dec 89 pp 1, 10

[Article by Lynda Loxton]

[Text] Zimbabwe's adjustment programme, which is vital for the kind of growth needed in the 1990s to tackle slow growth and unemployment, is on course and should be in place by the middle of next year at the latest.

But in the meantime, said the Senior Minister of Finance, Economic Planning and Development, Dr Bernard Chidzero, in an interview this week, certain preliminary or piecemeal steps were being taken to ease some of the worst distortions in the economy.

"For example, we have done something on prices. We know that this is not entirely satisfactory, but we have set in motion a process of change and there should be further moves on this as soon as possible," he said.

In addition, the wage freeze had been lifted, the Investment Center was now a living reality, policy decisions had been made ou reducing the subsidies to parastatals and the first ster, towards trade liberalization had been taken with the increase to \$5,000 of the value of goods that can be brought in for own use under open general import licence.

All these steps, said Dr Chidzero, indicated that the Government was fully aware of the problems facing the economy and was actively working towards adjustment, including trade liberalization.

"People think we are just making noises about change, but it is much more than that.

"What has to be realized about trade liberalization is that it is not something that you can just decide on, let alone implement, overnight. You have to handle it with the greatest care.

"What we have done is to agree that our trade liberalization should be targeted, by which I mean that we have to target, say, on imports of inputs for the manufacturing or export sectors, and for the mining and agricultural sectors as well in order to generate the foreign currency needed to finance trade liberalization.

"If we open the economy to consumption alone, we would be taking the wrong steps. We would not be able to finance such liberalization and there is no point in moving directly to outputs which compete with out own outputs because we would only destroy our own industry or put it at a great disadvantage.

"So we will have to be selective about what products will come in under OGIL [expansion unknown] to ensure they beef up our productive capacity so that we can be competitive. There is, therefore, no point in opening up the economy to competing outputs when most firms are operating under capacity.

"We have to target first on imports of capital goods and equipment, raw materials and spare parts.

"But this whole process must also be phased. You cannot do it at one time as a single event. You have to spread it out over a number of years and you have to work out how to finance it manageably. So while we have now done the basic work on the policy issues involved, there is still a lot of technical work to be done.

"We have to examine our tariff structure, for instance, to see how effectively protective it is or would be; what products should be protected and at what rate—and with what consequences vis-a-vis GATT.

"Then we have to select the products themselves to put on open general import licence. And, as I have already said, there is the financing problem to examine. Where is the foreign exchange going to come from? Then you obviously have to look at how you are going to monitor the whole programme.

"These are some of the issues that we are working on, so it is more than just words. It is hard work now at professional and technical levels by a number of teams and all this will need to be pulled together.

"Side-by-side with this we are working on an adjustment programme because the things I have been talking about must be within the framework of an economic adjustment and management programme.

"This programme has to do with issues such as the Budget deficit, the inflation rate, the level of subsidies, money supply, the growth rate itself and the relationship between recurrent and capital expenditure.

"All these things are being put together within a coherent framework and programme. They also beg the question of what kind of pricing policy, incomes policy and investment regulations we have.

Everything has to hang together and I would like people to understand that this is not just something that we can simply announce we are implementing as a programme. There is a lot of hard donkey work to be done.

"But things are coming together and when they are ripe, we will be able to launch a programme that is consistent and purposeful and, hopefully, what is more important, effective.

"In the meantime, we have introduced or are introducing certain measures piecemeal, but without prejudice to the comprehensive whole. It is better for us to err on the side of caution and take longer than most people would want to complete the programme, than to be reckless or to err on the side of speed and destroy everything.

"It is difficult to say when the final package will be fully in place, but I expect that in the first quarter of next year the complete picture will have emerged. "As to when the full programme will be implemented, the most I can say is certainly next year, preferably around Budget time. But decisions still have to be taken by Government and everybody is working seriously on this."

* Free Collective Bargaining Being Considered 34000106C Harare THE HERALD in English 15 Dec 89 p 1

[Text] Bulawayo. The Government is considering introducing "completely free" collective bargaining to give employers and employees full responsibility of fixing their own minimum and maximum wage and salary scales, a Cabinet Minister said here yesterday.

The Minister of Labor, Manpower Planning and Social Welfare, Cde John Nkomo, said the Government was taking this stand because the country's labor force was now more organized, more secure in workplaces and employer-employee relationships had improved favorably in most sectors in recent years.

"I have said it before that collective bargaining has come to stay. We are now moving towards completely free collective bargaining.

"We have begun to relax on some of these control measures. As a first step, we have allowed, although within certain limits, free collective bargaining in 1989 and it is here to stay," said Cde Nkomo when he presented long-service awards and certificates to 169 employees of the Merlin group of companies in Bulawayo.

The 169 workers had served the company for periods ranging between 10 and 35 years and together they have worked for a total of 2,115 years.

Cde Nkomo said it was "imperative" that the Government, the employers and employees should always maintain dialogue so as to enable the two parties to respond to various demands "with as little friction as possible".

"With this spirit, the Ministry of Labor, has had several tripartite consultative meetings with its other social partners and substantial measures of agreements were reached to recommend to the Government certain changes and modifications to the Labor Relations Act of 1985 which we believe would vastly improve the Act and bring it into line with the current and future requirements of our economy," he said.

Cde Nkomo said he had noted "with great satisfaction" that the worker-employer relations in the country had maintained a continuous improvement during the past year.

The employer and the employee, he said, should strive to make further efforts to move closer to each other, develop trust and commitment and resist the temptation to exploit each other. He commended the Merling group of companies for expanding its investments in the country and cited the recent opening by President Mugabe of the new \$35 million Merspin project.—Ziana.

* Limit on Personal Goods Import Raised 34000106B Harare THE HERALD in English 7 Dec 89 p 1

[Excerpt] Personal goods worth less than \$5,000 now held by Customs for want of an import licence can now be cleared by the Zimbabwean importers following the raising of the limit of open general import licence.

This includes all goods advertized on November 20 and 22 for the rummage sale later this month, according to a public notice from the Department of Customs and Excise.

Until, Tuesday those bringing in goods for their own use worth more than \$500 had to have an import licence. But the Government then raised the limit to \$5,000 so long as the goods were for one's own use and were not resold for at least a year.

Those wishing to clear their goods that now no longer need an import licence should contact the customs office where the goods are held. Customs duties will still have to be paid, where appropriate.

Many people were confused yesterday over the raising of the limit, with some mistakenly believing that travel allowances were being raised or that Zimbabweans were being given the right to buy \$5,000 worth of foreign currency.

They are wrong.

All that happened on Tuesday was that if someone sends you goods for your own use that are worth less than \$5,000 or if you come back to Zimbabwe with such goods, you do not need an import licence. The limit used to be \$500 and only a few years ago was \$150.

Holiday allowances remain at \$450 a year for an adult Zimbabwean resident and they can be accumulated for up to three years: As they were raised this year from \$360 the maximum right now is a little over \$1,000. [passage omitted]

* GM, Local Company To Produce Locomotives 34000107D Harare THE FINANCIAL GAZETTE in English 15 Dec 89 p 1

[Text] In one of the most ambitious joint-venture programmes to date, General Motors of Canada and Bulawayo-based O Conolly & Co have reached agreement on a \$100m project for the manufacture of locomotives in Zimbabwe.

Under the agreement, General Motors (Diesel Division) and O Conolly Ltd will supply new and re-powered

locomotives, as well as undertake repairs work on accident-damaged locomotives. it is envisaged that the joint venture will have a production rate of two locomotives per month for at least the next ten years, to meet the requirements of the NRZ [National Railways of Zimbabwe] and those of other railways in region.

General Motors has undertaken to transfer locomotivemanufacture technology to Zimbabwe, to provide technical and management training in both Canada and Zimbabwe, and to supply specialized manufacturing and test equipment.

O Conolly will be responsible for the construction of the plant and the acquisition of capital equipment. At least 400 new jobs are expected to be created in the new venture, which is expected to reduce substantially foreign-exchange expenditure on the acquisition of additional motive power.

It is planned that the repowering of locomotives and the repair of accident-damaged locomotives will be undertaken not only for the NRZ fleet, but also for other railways in the region.

In addition to the joint venture with O Conolly, General Motors is one of the current competitors in the present tender for the supply of 30 locomotives to the NRZ, with financing from the Export Development Corporation.

This tender has been evaluated, and the NRZ's recommendation has been submitted to the Ministry of Transport.

Mr Bob Gibbins, executive director of the Canadian Association for the Private Sector in Southern Africa (Capssa), which has coordinated the proposals between General Motors and O Conolly, this week told the Gazette that the project would have substantial spin-offs for a number of downstream industries in Zimbabwe and in the region.

"Zimbabwe can earn foreign exchange by repairing locomotives for other railways in the region, so the project goes beyond setting up Zimbabwe's locomotive railway problems.

"There is a very big component of technical assistance and training. Besides South Africa, Zimbabwe will be the only African country to nave the facilities to repair and assemble locomotives," he said.

In the negotiations leading to the agreement between O Conolly and General Motors, Capssa acted as a gobetween to ensure that the project came to fruition.

Mr Gibbins also disclosed that there at least 15 other projects under active discussion between Zimbabwean and Canadian partners, some of which had reached a "very advanced stage".

* Japan Provides \$23.8 Million Grant 34000107C Harare THE HERALD in English 14 Dec 89 p 1

[Text] Japan yesterday gave \$23,8 million to Zimbabwe to buy machinery and raw materials for those who need them from anywhere in the world.

The grant can be used by both the public and private sectors to buy a wide range of machinery, equipment and spare parts, particularly in the transport sector, and for industrial raw materials.

A special feature of this grant is that although it is in the form of a commodity, import programme, procurement would not be limited to goods of Japanese origin.

The Secretary for Finance, Economic Planning and Development, Cde Elisha Mushayakarara, signed on behalf of Zimbabwe and the Japanese ambassador to Zimbabwe, Mr Ken Ikebe, signed on behalf of his country.

Cde Mushayakarara said the fund would be passed on to the Ministry of Industry and Technology for allocation as a form of commodity import programme. It would be made available to participating companies early next year.

"This grant comes at a time when Zimbabwe has decided to embark on a gradual and selective trade liberalization as part of its self-initiated structural adjustment programme. This facility will, therefore, go a long way in meeting the resource gap associated with trade liberalization," he said.

In reply, Mr Ikebe said the untied funds would sustain the country's whole investment programme.

This is the second such grant aid Japan has given to Zimbabwe. The first grant, worth \$33 million, was given in March last year. [passage omitted]

* Economic Statistics for Jan-Jul 1989 Reported 34000107B Harare THE HERALD-BUSINESS HERALD in English 14 Dec 89 p C1

[Article by Jethro Goko]

[Text] Zimbabwe's volume of manufacturing production increased by 7,9 percent in the first half of 1989 compared with the same period last year.

According to the latest Central Statistical Office figures, the chemical and oil products group and the metals and metal products group recorded the largest increases in output, of 12 percent and 9 percent respectively.

Mineral production rose by 2,7 percent in the same period. Gold and nickel recorded the largest increases in output of 6,7 percent and 2,3 percent respectively.

Asbestos recorded the largest drop of 5,4 percent. The unit value index went up by 27,7 percent and this, combined with the increase in volume, resulted in a rise of 26,1 percent in the value of output.

In agriculture, the overall value of crop sales in the first eight months of this year increased by 13,2 percent when compared to the same period last year.

Sales from commercial and communal farming areas increased by 14 percent and 9 percent respectively during the same period. Although deliveries of maize and flue-cured tobacco increased by 29,9 percent and 9,8 percent respectively, wheat, cotton and soya-beans deliveries fell by 88,6 percent, 12 percent and 9 percent respectively.

Cattle slaughterings by the Cold Storage Commission fell by 9,3 percent in those first eight months of the year.

In the first five months of last year, Zimbabwe had a trade balance surplus of \$196,7 million. The value of exports increased by 17,7 percent while that of imports rose by 28,6 percent when compared to the same period the previous year.

The major sources of Zimbabwe's imports were South Africa, Britain and West Germany who accounted for 18,3 percent, 11,1 percent and 9,2 percent respectively of the foreign currency spent.

The major export market countries were South Africa, Britain and the U.S. who accounted for 9,2 percent, 8 percent and 6,8 percent respectively of the total exports.

Flue-cured tobacco and ferro-alloys were the major export commodities, accounting for 15,7 percent and 11,9 percent of the total exports respectively.

Chemicals, manufactured goods, and machinery and equipment were the major import commodity groups, accounting for 18,5 percent, 16,1 percent and 33,7 percent of the total imports, respectively.

Between July and August this year, prices paid by both higher and lower income urban families went up by 0,4 percent. In January, the average value of retail trade was 13,6 percent above that of January 1988.

The amount of electrical energy produced in the first six months of this year was 18,2 percent higher than that for the same period last year. Net imports of energy fell by 76,9 percent, while energy distributed went up by 4,4 percent.

The building materials price index increased by 2,3 percent between March and June. The main contributors to the increase were electrical goods and material, and timber and wood products.

There was a 6,1 percent increase in money supply between June and July.

Burkina Faso

* Sedogo Explains UNPB's Role, Objectives 90EF0168A Paris JEUNE AFRIQUE ECONOMIE in French Dec 89 pp 32-33

[Interview with Captain Laurent Sedogo, minister of peasant cooperative action, by Jean-Pierre Bejot and Catherine Jacquin in Ouagadougou; date not given; first paragraph is JEUNE AFRIQUE ECONOMIE introduction]

[Text] How does one create the conditions for integrated development? By organizing peasants in order to provide them with the means to assume responsibility for themselves. In this article, Captain Sedogo explains the UNPB's [National Union of Burkina Peasants] objectives.

The dates lined up. This is never a chance occurrence. Especially in politics. On 15 October 1987, Burkina launched its revolution's course correction phase. Two years later to the day, the peasants organized within the National Union of Burkina Peasants (UNPB) held their constituent congress. This was four months after the Popular Front's first regular session and three months before next January's general congress.

Thus the UNPB's 15-17 October meeting marked the end of the constituent congresses of the so-called fourth level revolutionary committees: the National Union of Burkina Youth (UNJB), the Burkinabe Women's Union (UFB), and the National Union of Burkina Elders (UNAB).

What's more, the congress was held in Bagre. It was there, on the very same day, 150 km from the capital, on the White Volta, that the construction site had just been opened for a 4,300-meter-long earthen dam whose water retention capacity of 1.7 billion cubic meters will make possible not just the generation of electrical energy thanks to two eight-megawatt units but also, and in particular, the irrigation of 7,500 hectares. At the threshold of the 21st century, then, Bagre symbolizes new opportunities for Burkinabe agriculture; it symbolizes the hope that the horrible drought cycle will be broken.

Captain Laurent Sedog., the minister of peasant cooperative action (who, since last 16 June, has also been the secretary in charge of oversight and verification on the Popular Front's executive committee), consented to receive JEUNE AFRIQUE ECONOMIE's special correspondents in Ouagadougou in order to discuss these very same new opportunities presented by the UNPB's constituent congress.

[JEUNE AFRIQUE ECONOMIE] For the Burkinabe rural community, the latest big event has been the UNPB's first congress. What is the background for this meeting?

[Sedogo] Our work to help get the rural sector going again has two sides to it. First of all, production in the peasant community has to be organized; this, in fact, is the goal of the Ministry of Peasant Cooperative Action. Secondly, we want to promote political organization among the peasantry. At long last, these two separate sides are coming together.

[JEUNE AFRIQUE ECONOMIE] So is the cooperative viewed as an organizational structure, being simultaneously a mode of production and a vehicle for consciousness raising?

[Sedogo] Exactly. Today more than ever before, working at the grass roots, we must prod the peasantry into organizing within the cooperative framework. Burkina is a traditional country, one in which peasants are used to living in tightly knit communities. In areas inhabited by the Mosse, peasants have always known how to come up with unique organizational and associational forms that allowed them to establish more egalitarian relationships among themselves.

[JEUNE AFRIQUE ECONOMIE] Because of the fact that the state apparatus is so preeminent in this cooperative process, isn't there the risk that these political/production structures could veer in the direction of excessive bureaucratization?

[Sedogo] That has always been a concern. In the 1970's and ever since, the idea of community development was launched. This idea coincided with the major drought and the influx of humanitarian aid. To ensure that this aid would go directly to the people, we strengthened the powers of village groups. So a combination of circumstances, beginning in 1975, led to these village groups acquiring greater importance.

Many of the problems we come up against are related to the fact that we have not been able to reach peasants as individual players in the development process. So we find it useful to strengthen peasant groups on a solid, democratic basis, thus allowing us to send a message, whether it be a political or a technical one. That is why the Ministry of Peasant Cooperative Action was created in 1988.

[JEUNE AFRIQUE ECONOMIE] So political action is viewed as a means of modernizing the rural sector?

[Sedogo] We have to meet the player in the field by conserving the means at our disposal. By bringing one or two hundred peasants together in the same structure, we manage to act in a global manner.

[JEUNE AFRIQUE ECONOMIE] Are you concerned, then, with coming up with a global vision of development by integrating educational components into this vision?

[Sedogo] Increasingly this notion of integrated development is making headway in our country. This is why, to the extent that this is possible, we insist on making rural collectives responsible for themselves. It is also true that, over the years, many schemes for association have been put in place, notably the regional development agencies (ORD). Despite the limited number of these agencies, there remains the permanent reality of a rural community as such in the countryside. Once this reality has been forged, it remains, even if the government's message falters at times and doesn't get through. So we have some village groups which have been in existence for more than 15 years. It is an advantage to us that these societal structures have endured and currently prove to be receptive to the message we are putting out. We're no longer talking about expanding teacher-to-student relations. We impose nothing save certain organizational standards. On the other hand, we require democratic methods: a village group's president should know how to manage matters responsibly. But as regards all of the village groups, we act in such a way that it is the community that will be able to make decisions.

[JEUNE AFRIQUE ECONOMIE] Out in the countryside, does this participatory method produce good results?

[Sedogo] What we are seeing in the countryside encourages us. We have organized a certain number of forums with peasants. Last March, a nationwide conference brought together the heads of all cooperatives. We are carrying out this work at two levels: at the national level and at the regional or provincial level. In this way we have come to the conclusion that today 90 percent of the accomplishments of the agricultural sector are generated by village governments and cooperatives.

[JEUNE AFRIQUE ECONOMIE] What do you expect from the first UNPB congress?

[Sedogo] First of all, at the policy level, there will be official recognition of the position these cooperative groups occupy in the framework of our policy. For the producers who are organized within these communities, there will be encouragement, make no mistake about it. Henceforth, it will be difficult to succeed in the country-side without reference to the work of the UNPB, that is, to the work of organized peasants. Furthermore, the congress will certify to the emergence of a new category of individuals in Burkina who will have access to the political process. In this way we hope we will make possible a major expansion in the number of political leaders who are truly peasants. We should not forget that this congress will be a constituent congress: Its mission will therefore be to put national-level structures in place.

[JEUNE AFRIQUE ECONOMIE] Given this background, what role does your ministry play?

[Sedogo] Our expectations are practically the same as those of the UNPB. Our job is technical but it is also political. What is particularly at stake in the countryside is transforming the way people think. That means that our goals link up with those of the world of policy. At the ministerial level, this congress will allow us to validate

the work that has been done in the countryside and consolidate the cooperative movement while we step up our aid.

[JEUNE AFRIQUE ECONOMIE] What exactly is your relationship with lenders?

[Sedogo] Agriculture doesn't interest them. When it comes to providing basic support to peasants, we have not had any positive reaction. This may come. In the meantime, we must demonstrate our capacity to carry out a certain mission in the countryside.

[JEUNE AFRIQUE ECONOMIE] Staying with the issue of international aid, what relationship do you have with the NGO's, the non-governmental organizations?

[Sedogo] From time to time there is some friction in the countryside. But overall we understand one another fairly well. Our goals are the same, but oftentimes there are differences over the way to proceed. Increasingly the NGO's have been emphasizing self-promotion in the countryside. We have too. The ultimate aim is for rural collectives to be able to undertake a certain number of initiatives. The NGO's are sometimes scared by the way we talk. When we speak about cooperatives, they see government action and state deviations above all else. But our approach is very flexible. We do not want to create the same sort of cooperative as in Europe. Besides, to solve the problems of our relations with the NGO's, we have set up a directorate within our ministry responsible for follow-up. So when we make major decisions, we contact them.

[JEUNE AFRIQUE ECONOMIE] You are at the center of socio-economic work relating to the countryside, what are your relations with the other appropriate ministries?

[Sedogo] Everything does indeed start with us and come back to us where approaches to the countryside are concerned. To avoid scaring peasants, ministerial work must be done in concert. The peasant does not see the difference between the Water Ministry and the Agriculture Ministry. He sees only a government agent, and this agent must speak in terms that respond to the expectations of the peasant in the countryside.

[JEUNE AFRIQUE ECONOMIE] You are a career military man. Post-revolution, you find yourself heading up a political activity. What lessons do you draw from this?

[Sedogo] The first lesson is that between theory and reality there is an entire world. So we must be courageous and have a sense of conviction about what it is we're doing. The second lesson is that we must be cohesive when we act. In six years, if we have reached the point we're at, the fact is that something has been accomplished. The third lesson is that we must trust the masses. Many politicians have failed in Africa because they didn't believe in the ability of the popular masses to understand problems. We must trust in their capacity for judgment. We must also seek counsel from our elders.

We must observe the good they have done. You consult them and together you make decisions. Our elders appreciate being treated with respect.

Ghana

* GNMC To Begin Gold, Diamond Prospecting 34000109A Accra GHANAIAN TIMES in English 12 Dec 89 p 1

[Text] The Ghana National Manganese Corporation (CNMC), in conjunction with Geomin Rompetrol of Romania, will begin prospecting for gold and diamonds from February.

Nana Akuamoa Boateng Ababio, acting chairman of the Board of Directors of the GNMC, announced this at a long-service award ceremony at Nsuta-Wassaw in the Western Region at the weekend.

The venture, he said, was intended to diversify the corporation's operations. Prospecting would be concentrated at Akyem and Dadieso areas.

More than 200 workers who have served between 10 to 30 years were honored for their long and dedicated services to the corporation.

Nana Babio said the problem with the corporation's modulizing plant, which had not been functioning since its installation in 1983, would be resolved so that it could be commissioned next year.

Colonel (rtd) Edmund T. Oklah, acting managing director said the corporation earned \$8.8 million last year from the export of 295,000 tonnes of manganese ore.

That was an improvement over the 1987 export earning of \$7.8 million from 265,000 tonnes of manganese ore.

Col Oklah announced that \$10.9 million had been earned as at December 4, from the export of 253,602 tonnes of ore.

He said the corporation had contracted a loan of 2.5 million dollars from the European Investment Bank to buy spare parts and to rehabilitate the wasting plant, the earth moving equipment and the loading plant at Takoradi Harbour.

* Adjustment Program To Favor Deprived Areas 34000109B Accra PEOPLE'S DAILY GRAPHIC in English 9 Nov 89 pp 1, 8-9

[Excerpt] The Programme of Action to Mitigate the Social Cost of Adjustment (PAMS-CAD), under the Ministry of Local Government is being reviewed to ensure that the most deprived districts are given priority attention.

The review has become necessary because the criteria for selecting projects for assistance have been found not to be in the interest of the vulnerable groups for which the programme was envisaged.

Announcing this at the fourth ordinary meeting of the Builsa District Assembly, the Secretary for Local Government, Mr Kwamena Ahwoi, explained that the requirement that communities should initiate projects before qualifying for assistance did not favor the most vulnerable groups.

He said since such groups had nothing to start projects, it meant that they were cut off from assistance, adding "it is only proper for it to be reviewed to bring about equity".

Mr Ahwoi said, district mobile planning teams in the regions would be expanded to enable them to cope with the volume of work.

Referring to the Builsa District as one of the most deprived in the country, Mr Ahwoi said, it will be treated as one of the new districts when it comes to allocation of resources.

Mr Ahwoi charged the regional mobile planning team with the task to place the district on a high priority for development and drew up an investment profile for the mobilization of internal and external assistance.

The Secretary noted the weak financial position of the assembly and directed that revenue collectors should be made to earn commission instead of being put on salaries.

He said revenue collectors in the district received C600,000 as salaries between January and August, this year as against C33,000 they collected as revenue.

Mr Ahwoi commended the people for their unity and called on the assembly to formulate realistic programmes and policies to bring development to the area. [passage omitted]

* Shipping Corporation To Expand Services 34000109C Accra PEOPLE'S DAILY GRAPHIC in English 7 Dec 89 p 1

[Article by Faustina Ashirifie]

[Text] The State Shipping Corporation (SSC), formerly Black Star Line (BSL), is establishing a subsidiary company to provide husbanding services at the Tema and Takoradi ports, to shipping lines operating under the United Kingdom West Africa Lines (UKWAL).

Concurrently, the SSC which is a member of the UKWAL is exploring the possibility of getting the new company, to be known as Europe West Africa Services (Ghana) Limited (EWAS), to enter into a joint venture with a French shipping company, Navale Delmas.

Mr Heron R. Blagogee, acting Managing Director of the SSC, told the GRAPHIC in an interview in Accra yesterday that, hitherto husbanding services for UKWAL members involving the provision of docking and other related facilities, were carried out by a private agency called Liner Agency.

The new company, which is expected to start operating in February, next year, therefore stands the chance of improving the financial base of the SSC.

Mr Blagogee said the SSC is expected to hold 52 percent shares whilst the French company gets the remaining 48 percent.

Explaining the rationale behind the joint ventureship, the acting Managing Director said even though the SSC has the right to completely take over the services of the Liner Agency, it lacks modern equipment and the expertise to handle the shipping lines that operate under the UKWAL.

The French company, he indicated, will therefore bring in modern machines and equipment to be installed at the two ports to enable attractive services to be rendered to all users.

In the meantime, he said, branches of the SSC which offer similar services mainly its vessels, will continue to do so.

Asked whether the establishment of the subsidiary will not lead to the laying off of some of its workers, Mr Blagogee answered in the negative and pointed out that with the expected improvement in the financial base, the corporation can acquire more ships to augment its fleet. It currently operates only four ships.

He said whilst some of the workers will be absorbed into the new company which will operate on purely commercial basis, the expansion of services will require others to be moved into other areas.

He, therefore, expressed disappointment that certain people who have not understood the issue are peddling, rumors that the government is going to divest itself of the corporation.

Mr Blagogee stressed, "the SSC is not on the divestiture programme and it is not going to merge with any French Company as its being alleged. It will remain a ship owner and continue to provide shipping services."

Niger

* Saibou on Current Issues, His 7-Year Mandate 90EF0184C Niamey LE SAHEL in French 14 Dec 89 pp 3, 5

[Interview with General Ali Saibou by LE SAHEL; date and place not given]

[Text] [LE SAHEL] How do you feel after the elections? What do you think of the confidence placed in you for a 7-year term of office?

[Saibou] After the elections, which you yourself have said contained no surprises, I feel like the same Ali Saibou after this indication of encouragement from the people, who have just expressed in concrete terms what they have shown us, both within the country at large as well as in Niamey. This is a source of satisfaction for me.

[LE SAHEL] In the course of your travels during the election campaign you mentioned different aspects of your action program in which everything seems to have priority. In fact, which priority is more important than the others?

[Saibou] You know, I have always said that the first priority for Niger has not changed. That is, development and food self-sufficiency. Without neglecting the other concerns, the first priority is food self-sufficiency.

[LE SAHEL] At this point economic recovery is at the center of our concerns. The rehabilitation of the BDRN [Development Bank for the Republic of Niger] is part of those concerns. Has the organization been identified that will take over our development bank? There are more and more questions about this.

[Saibou] The BDRN is one of our concerns, because you cannot speak of development without a development bank.

That is why, among my priorities, I have brought forward the BDRN, which must be reorganized.

On this point I can assure you that this reorganization of the bank is on the right path. Many people have confused the terms "takeover" and "turnover." For us there is no question of selling the BDRN.

We have been in touch with friendly foreign countries that can provide a certain percentage of the capital of the BDRN. We have also looked for a technician in banking matters. He is now available. The providers of funds have met, and the results will not be long in becoming known. In a few days the case of the BDRN will be favorably resolved.

[LE SAHEL] Niger is living through one of the most important periods in its history. In your view, which term better illustrates the present period in your country: democratization or opening up [decrispation] society?

[Saibou] Those two expressions are very similar. You cannot speak of democratization without speaking of opening up society.

That is why our first objective was to relieve the tension in the atmosphere. This made it possible for us to obtain this popular support. Then, you cannot speak of development without democracy.

We think that in Niger, with the voluntary participation of the mass of the people, we can succeed in carrying out our program. Therefore, I believe that democratization and opening up society are equivalent terms.

[LE SAHEL] The first of your principal points during the election campaign was national unity, which you emphasized at length at Tahoua. Now about 30 years have passed since our proclamation of national sovereignty. By mentioning this theme again does it mean that there are still problems in the complete and total achievement of national unity?

[Saibou] There is no problem in strengthening national unity.

I was in Tahoua during the first stage of my campaign and I developed this theme in that city, just as I mentioned the other priorities in our eight departments.

It goes without saying that our national un' is close to the process of democratization and opening up society that I mentioned just now. The themes that I mentioned in Tahoua were not aimed at these matters. Quite simply and in the same way, I spoke of discipline and cohesion within the Army and of national unity, which are the foundations of our nation.

[LE SAHEL] What should the people at large understand of your diplomacy of development?

[Saibou] The diplomacy of development completes what we are doing. It goes without saying that Niger seeks to achieve its development through the use of its own resources.

However, considering the inadequacy of our resources, we are forced to open ourselves to friendly countries and to those providing funds.

As confidence is established, Niger, a peace-loving country, can appeal to all countries of goodwill.

[LE SAHEL] The people of Africa cannot ignore what is happening in Eastern Europe. What is your view of this situation? Do you have any fears for the African continent or do you regard this as an invitation for you to make special efforts?

[Saibou] I think that we are not the only ones who are not closing our eyes to what is going on in Eastern Europe and quite near us in South Africa.

This search for unity among various peoples is a reality. The case of the two Germanies is one of the best illustrations of this.

However, we should beware of seeing in this situation grounds for either fear or hope for us.

We will see hope in this change if an improvement in relations makes it possible to reduce tensions in the international atmosphere. Thus, if tensions decline, we think that the arms race will slow down. On this basis it will be possible to redirect funds toward our development projects. However, I think that we Africans should not expect that such an improvement will bring us anything. First of all, we should count on our own efforts.

[LE SAHEL] After your brilliant election what political changes do you plan to implement, both at the national as well as the international levels?

[Saibou] For two years I have followed an unchanging policy at the national as well as the international level.

At the national level we are engaged in completing our national unity and in establishing all of the institutions that will make it possible for us to get down to work. At the international level we now have very good relations with neighboring countries, as well as with other friendly countries.

[LE SAHEL] Will you stop wearing your military uniform?

[Saibou] In any case, as I have already said, in Niger we have chosen to work together, military and civilians alike.

If I dressed as a major tribal leader [boubou] on occasion (Editor's Note: the president is a major tribal leader.), that does not mean that I have given up my military uniform.

When I take my oath of office, I will wear my uniform, because I was elected as Gen. Ali Saibou.

Clothing will not change the way I behave. The important thing is to ensure freedom and democracy to our citizens.

[LE SAHEL] You have just spoken of democracy and freedom.

The National Movement for a Society of Development [MNSD] considers itself a framework for mobilization, open to all political and ideological persuasions.

Can those who refuse to follow in the MNSD establish their own political party?

[Saibou] For the present there is no question of a multiparty system. There were independents who were candidates for the presidency. That is not in accordance with our constitution.

I have said that there is an opening for a multiparty system. However, for the present we have chosen the MNSD. Our concern is development. To do this, I think that we have brought together all of the conditions.

Therefore, it is useless to waste our time.

[LE SAHEL] Speaking of the countries that you have visited since your accession to the presidency, in your

election speeches devoted to diplomacy you only mentioned France. How should we interpret this limitation? Tell us something about the state of cooperation between France and Niger.

[Saibou] In effect I mentioned France because for us she provided a good example by caracelling our debt. That does not mean that other countries, such as Canada, Belgium, and the Federal Republic of Germany, have not done the same thing.

I only took one example among many others. Regarding cooperation with France, I can tell you that it is very good.

[LE SAHEL] In your opening election speech you did not pay your respects to "Petit Coco," your challenger and the other candidate for the presidency. Could you say a few things about this man?

[Saibou] No. It is not my custom to denounce others.

You know, in every country there are troublemakers. When "Petit Coco" declared his candidacy, he said that his qualifications were beside the point and that he was ready to go to prison. He has no reason to be concerned about that.

Furthermore, "Petit Coco" voted for me. On the hallot for the deputies of the National Assembly he crossed out all of the names except that of one candidate. You do not have to pay much attention to "Petit Coco."

As I was saying just now, there are people like him in every country.

[LE SAHEL] Since your becoming president you have freed almost all political prisoners. Today there are only two left.

[Saibou] The case of these two remaining political prisoners will be examined when I am president of the republic. At the moment I am not president.

[LE SAHEL] To return to the relations between Europe and Africa, how do you see relations between the European Community and the ACP Africa, Caribbean, and Pacific Ocean states] countries with the advent of the European common market and a single standard of currency?

[Saibou] I think that the African unit of currency is guaranteed. If goes without saying that we African countries will follow closely what happens in the countries of the European Community.

If Europe forms a bloc and we Africans develop in a separate way, the Europeans will let us fall apart. The group of African countries must follow the way things work out in the EEC.

[LE SAHEL] The constitution gives you the power to appoint or not appoint a prime minister. Do you already have a view of the political landscape in Niger?

[Saibou] The constitution is clear on this point. It provides that I can appoint a prime minister or not.

For the time being I do not know. You will see the answer when the government is formed.

[LE SAHEL] The moment that we have all been waiting for is the formation of the new government, which will be the first to be formed by the elected president.

Can you state the criteria that will govern your choice of the members of this government?

[Saibou] I think that the media and the people have answered all of these concerns.

They have spoken of a government of technocrats, a government including other parties, a government made up of the more militant elements, a nonparty government, and a government of integrity. I will think about it. However, in any case, the government will not be formed before 18 December.

[LE SAHEL] You just mentioned the dispersion of African countries. Do you plan to play an important role in the sense of a grouping within the West African Economic Community, the Economic Community of West African States, etc?

[Saibou] I am convinced that if we want to play an important role, we must form a group. I would always make my modest contribution to a group solution.

As the current president of the West African Economic Community, I am going to consider this question. I will speak to those who have more experience and who already have well-developed ideas on this problem and I think that my contribution would have some value.

[LE SAHEL] Niger is a member of the African committee for the mediation of the conflict between Senegal and Mauritania. Recently, a mission including your minister of foreign affairs visited the two countries. Could you tell us what proposals have been made to find a solution for this conflict?

[Saibou] Our minister of foreign affairs has just returned home. He made his report to me on what he heard and saw, both in Senegal and in Mauritania.

The first question that should be resolved is compensation for the people on both sides of the border.

Then it will be necessary to restore the property seized on both sides of the border, resolve the problem of the free movement of people, and create a situation allowing confidence to be reborn.

Finally, it will be necessary to limit the conflict so that it will not turn into a racial struggle. Regarding the border problem, it is very early to attempt to resolve it, as long as tension is still high.

I appeal for moderation to all of my brother presidents so that they will try to find a peaceful solution as quickly as possible.

[LE SAHEL] Leaving your juridical status aside, we would like to know what economic and social changes would be involved in the return of Niger to constitutional status.

[Saibou] In concrete terms we have all of the conditions present for development.

We seek basic development. And we cannot conceive of projects while we are in air-conditioned rooms and then go out to apply them on the ground where other realities may be found.

That is why it will be necessary for ideas to come up from the people. Once these ideas are collected, the CSON [Higher Council for National Orientation] is there to approve the major lines of policy, and the government, as an executive organization, will implement these major themes.

[LE SAHEL] Now that you have been elected, will you appoint civilians as prefects?

At the time of your presidential campaign you made no reference to the late General Seyni Kountche, who was, even so, the precursor of the democratization of our political life.

[Saibou] Regarding the first part of your question, we are currently considering reforms to provide for an administrative system yhat would bring more closely together administrators and the people under them.

Therefore, bringing civilians into office as prefects is not excluded. It is a question of time.

For the moment I have just appointed prefects who have not been in office for two months. Consequently, it is not yet time to make further changes.

Regarding your second question, if we have made no references to the late Gen Seyni Kountche, it was simply to avoid stirring up the past.

May God rest his soul.

After two years it is time to speak of ourselves and of what we plan to do.

[LE SAHEL] For the first time women are going to sit in the Nations: Assembly. What efforts do you expect them to make in participating in national development?

Then, does the fact that Niger is a 90-percent Muslim country explain this long absence of women from our national institutions?

[Saibou] Not at all. Women will sit in the National Assembly in the same way that men do. Do not forget

that in Niger women make up 52 percent of the population, and the literacy rate among them is almost the same as among the men.

Consequently, we should not set women off to one side. We must associate them as much as possible with decisionmaking in the management of our national life.

In this way, by associating them both with the government as well as with the National Assembly, they will be encouraged to express their point of view on matters that interest women. The participation of women in political life is a reality in Niger.

Our religion does not prohibit women from attending any kind of meeting.

As you have noted, Niger is a lay country. Despite the fact that we are 90- percent Muslim, there are not many women who wear the veil.

[LE SAHEL] Concerning the legislative elections, a single list of candidates has been prepared by the MNSD. Do you think that, in the future, it will be possible to consider multiple candidates on the ballots?

[Saibou] Even in terms of the present, single list, we began to make choices at the basic level. We started with five candidates for a single seat. Then we reduced the list to three candidates and, at the national level, to two candidates for a single seat.

The national executive bureau of the party considered the two candidates and made its decision. This is because we are in a period of transition. This would not be easy to do in the next elections.

There are deputies who have "won on my coattails." They have a term of office of five years, while my term of office is for seven years. They have an interest in working. If they do not work, they will not be reelected because, five years from now, they will face the same people.

[LE SAHEL] For some time South Africa has been carrying on a diplomatic offensive aimed at the African countries.

Would you, as president of the Republic of Niger, agree to receive Frederik de Klerk, the South African president?

[Saibou] I believe that I said to LE SAHEL about one year ago that I would never receive Pieter Botha. If the changes now going on in their country would make it possible for me to receive them, I think that I would be ready to do so. However, I would have to see specifically what they are doing.

[LE SAHEL] Like many other countries, Niger has not been spared from having unemployment. How would you plan to regulate employment? Secondly, in terms of the National Assembly, we may notice that there is a certain regional and geographic balance. Will that be continued in the executive branch of the government?

[Saibou] As you say, Niger is not the only country affected by unemployment.

* Libyan Emissary Compliments Saibou on Victory 90EF0184B Niamey LE SAHEL in French 29 Nov 89 pp 1, 3

[Text] General Ali Saibou, president of the National Movement for a Society of Development [MNSD] and chief of state, received Ibrahim Bouchari, secretary of the People's Committee and secretary for external security of Libya, on 28 November. Bouchari presented a message from Colonel Mu'ammar Qadhdhafi, leader of the Socialist People's Libyan Arab Jamahiriya.

Following this meeting Ibrahim Bouchari stated that he is a personal representative of Col Qadhdhafi, the leader of the great revolution of the Socialist People's Libyan Arab Jamahiriya. The Libyan representative said: "Our meeting took place within the framework of bilateral cooperation. I have come to transmit the congratulations of the Libyan people to the Nigerien people on the candidacy of Gen Ali Saibou, who has known how to strengthen national unity, to affirm internal and external detente, and to strengthen the position of Niger in Africa."

The Libyan representative said that he was satisfied with his meeting with the president of the MNSD whom he considers to be a good neighbor and a sincere brother.

The meeting took place in the presence of Attaher Darkoye, minister delegate for the interior, and the ambassador of Libya to Niger.

On the afternoon of 28 November Gen Ali Saibou, president of the MNSD and chief of state, received Moroccan Ambassador Tahar Nejjar.

This meeting took place in the presence of Amadou Fiti Maiga, acting minister of foreign affairs and cooperation.

* FRG Supplies Military Vehicles, Spare Parts 90EF0184A Niamey LE SAHEL in French 22 Nov 89 p 53

[Text] On 21 November the Federal Republic of Germany made a gift of military equipment to the Republic of Niger.

The official ceremony at which the equipment was turned over took place at the Place du Bataillon in the presence of Lieutenant Colonel Oumarou Coulibaly, deputy chief of staff of the Nigerien Armed Forces; Major Mamane Korao, secretary general of the Ministry

of Defense; and Wolfgang Runge, ambassador of the Federal Republic of Germany to Niger.

The equipment, which is being delivered in several shipments, is composed of 12 vehicles for the Nigerien Armed Forces, the Topographic Service of the Engineering Company, the Nigerien Air Group, the Gendarmerie, the Niamey Police, as well as the German Technical Military Assistance Program. In addition to these vehicles are 6,200 sweaters and various samples of equipment, spare parts for which are included in the shipment.

After the German ambassador made brief remarks as he presented the equipment, Lieutenant Colonel Coulibaly expressed appreciation for the German technical assistance after having praised the many forms of cooperation between Niger and Germany, which has been going on "for about 20 years."

Several Nigerien military and civilian officials and foreign representatives attended the ceremony, followed by a reception at the Corniche Mess Circle.

Senegal

* Reply to Gambian Complaints After Dissolution 34190050B Dakar SUD HEBDO in French 16 Nov 89 p 3

[Article by Moise Dekka: "Senegal-Gambia: Banjul Gets Angry"]

[Text] In the wake of Daouda Diawara's unilateral denunciation of the Kaur Pact establishing the Confederation of Senegambia, the proposal to suspend and subsequently dissolve the confederation's institutions—a rather significant step in its own right—has by no means served to ease the strained relations between Dakar and Banjul. Now, in addition to the political turmoil stirred up by pressure from the powerful Aku lobby (which is opposed to any economic or monetary union) and all the propaganda put out by anti-Senegalese circles, we are presented with a Gambian protest against "harassment of Gambians traveling in Senegal," according to Mr Omar Seye, the Gambian foreign minister.

The Gambian protest note, delivered to the Senegalese ambassador in Banjul, is more than an expression of "serious concern about the harassment of Gambians, especially Gambians in transit through Senegal, whose hard currency is confiscated by Senegalese customs." It also contains the serious accusation that Senegal is "interfering with commerce by denying transit privileges for merchandise coming from or destined for Gambia, in violation of the protocol of the Economic Community of West African States (ECOWAS) on interstate transit." The director general of customs, rejecting the accusations, maintains Senegal is abiding by the letter of the agreements. He contends that the principle of free movement of goods and people, as endorsed by CEAO [West

African Economic Community] and ECOWAS, assumes people will respect each member government's laws and regulations, including those having to do with customs declarations.

Whether Gambia's complaints are well-founded or not, its position is understandable. It has been uncomfortable ever since the confederation was dissolved and Senegal decided to add more customs posts at the border to strengthen enforcement. Given the baneful effects of Gambian contraband—which costs Senegal some 20 billion CFA [Central African] francs per year—one could hardly expect Senegalese authorities to do less. It is true that a certain tolerance and laxity of enforcement with respect to cross-border commerce may have led traders to assume their fraudulent practices were not illegal. Of course, that is ridiculous. Gambia is acting as if it wants to deny a sovereign country the right to make and enforce its own economic regulations—and this it has no business doing.

Actually, the protest note fails to disguise the fact that Gambia, having turned itself into an immense "duty-free shop," is now concerned only about how to unload its excessive inventories on a market that used to be wide open to it. Moreover, everyone in this country is familiar with the sort of harassment to which Senegalese traveling in—or even through—Gambia are subjected, as victims of a largely incomprehensible xenophobia.

Gambia is paying the price for its rash actions. When it decided to cut itself loose from the confederation, it failed to consider the economic problems it would face if Senegal tightened up its border control.

Banjul is demanding that Senegal "reconsider these inimical measures, which run contrary to international accords and conventions and do not promote continuation of the friendly and close relations existing between Senegal and Gambia, and take appropriate steps to rectify the situation." By making such demands and scarcely veiled threats, Banjul is pursuing the path of confrontation. Its self-defeating attitude may lead it to attempt (although its foreign affairs minister rejects such a course, at least for the present) to require Senegalese in Gambia to pay for residence or work permits. Meanwhile, Senegalese merchants in Sandaga say their business will not be adversely affected by the tightening of the border between Senegal and Gambia. Quite the contrary, since all the merchandise coming in illegally from Gambia made it hard for them to compete with the smugglers.

Even though the Senegalese Government has remained calm about all this, reliable sources say it is possible that people traveling to the southern part of the country will be required to detour around Gambian territory. Some of the transport unions reportedly support the idea.

In any case, if these reports prove true and the measure is implemented, it is easy to imagine the consequences. For Gambia it would mean a progressive choking off of revenue, particularly the revenue from ferry operations.

But it would create some hardships in Senegal as well, especially in the town of Tambacounda at the junction of Route 1 and Route 6, which serve Dakar and Ziguinchor. Now it is true that an increase in the traffic along the Dakar-Kaolack-Tambacounda-Kolda-Ziguinchor corridor would be a financial boon for the municipality of Tambacounda; it might also stimulate certain sectors of the local economy with a corresponding impact on employment. But such a large flow of vehicles, especially big transport trucks, would pose serious technical problems for the town of Tambacounda and the Gambia River bridge at Gouloumbou. Tambacounda is not prepared to receive such an avalanche of vehicles: its road system is inadequate, and there is no urban bypass route. Although in some places the roads are fairly wide, the road surfaces are very thin and strewn with potholes. In addition, some intersections are poor designed.

To the west, construction of a new level crossing near Highway I close to the cotton ginning plant, intended to provide access to the Camp Navetane area, does not really provide an alternative. The level crossing is barely wide enough to accommodate one big transport truck at a time. Moreover, it leads only to a drained lowland area near the river, from which it is impossible to get back to Highway 6 south of town without going through the Gourel Badie quarter.

As for the Gouloumbou bridge on Highway 6, it is just about 10 years old but has the drawback of being only one lane. Thus traffic might get backed up at times of peak load, though probably not as badly as it does on the Gambia ferry.

But there is another problem: currently the bridge is not certified for vehicles weighing more than 18 tons. Such defective designs result from the failure of engineers to foresee future needs. Load studies have been ordered, but the results—which will determine whether the weight limit can be increased to at least 30 tons—have not yet come in. If not, it will be necessary to figure out how to strengthen it, perhaps even to build a second lane for a bridge of such strategic importance.

Certain road improvements will definitely be required to accommodate a larger volume of traffic. Most importantly, the segment between Tambacounda and Sinthiou Maleme must be repaired; otherwise it may not survive the heavy usage that can be expected. After all, people's lives depend on safe roads.

* Refugee Plight After Mauritanian Clash Noted 34190050C Dakar SUD HEBDO in French 16 Nov 89 p 5

[Article: "Senegal-Mauritania: NGO's Consider Plight of Expellees"]

[Excerpts] The people living in the river valley are currently in a precarious position as a result of the Senegalese-Mauritanian conflict. On 29 July 1989 an

estimated 150,103 people were expelled from Mauritania to Senegal. Most of those who were repatriated (92,000 Senegalese permanently established in Mauritania), evicted (13,603 Senegalese seasonal workers) or turned into refugees (44,500 Mauritanian citizens) are living in absolutely penury. A mission led by Mr Amadou Daff, president of the inter-NGO [nongovernmental organization] committee to assist those displaced from Mauritania, discovered the dimensions of the problem.

Between 28 October and 2 November 1989 the mission visited Bakel, Matam, Podor, Dagana, and Thies. The worst problems facing the victims are shortages of food, water, medical, and sanitary facilities, adequate housing, education and assistance in socio-economic reintegration.

In addition, the refugees said that with the arrival of the cold season they now need blankets and warm clothing for the children. They also need some fuel other than wood, in order to avoid further degradation of the local environment.

Faced with these facts, some 25 of the 65 NGO'S that comprise the Council of Non-Governmental Organizations in Support of Development (CONGAD) held 3 days of meetings 11-13 November at Rufisque to consider ways to "help the people displaced from Mauritania." They tried to develop a common strategy and called for peace between the two peoples. [passage omitted]

To ensure adequate coordination, the authorities must keep themselves informed of all measures being taken by the displaced persons, associations, and the various organizations. That is why returnees and refugees were invited to the meeting to describe their plight and the actions they have taken. Three major problems once again emerged: inadequate nutrition, health care, and education. The Mauritanian refugees are prepared to build classrooms or even sheds by themselves, and they asked that teachers from the group (as well as Senegalese) be allowed to instruct the children. In the valley, the same request is being made for utilization of refugees who have had medical training.

With regard to the self-sufficiency program, the state's proposal to distribute 20,000 hectares was discussed extensively. At the conclusion, government representatives spoke up to indicate their willingness to work with the NGO's. However, the length of time it often takes to get administrative decisions implemented on the ground (opening of schools or assignment of teachers, for example), the NGO's are sometimes paralyzed in the absence of a "performance letter," a sort of activity permit.

The CONGAD meetings were held at the right time to avoid any latent risk that governmental organs and the development NGO's would find themselves working at cross purposes.

* Opposition Meetings Policy Termed Inconsistent 34190049A Dakar SUD HEBDO in French 14 Dec 89 p 3

[Article by Demba Ndiaye: "Democratic League— Movement for the Labor Party: Attacking the Palace?"]

[Text] The SOPI [members of the PDS] Alliance's all-out drive to accomplish its "second milestone" got off to a vigorous start this weekend in Dakar. Whereas the Democratic League—Movement for the Labor Party [LD-MPT]'s rally had been authorized last Saturday but disrupted by shots fired from a taxi cab, the Senegaleve Democratic Party's [PDS] Sunday rally, which had been banned, turned into a march. A march under the watchful although distant gaze of the police.

It was not a crowd like those of the heady days of last March and April, but [one] with more a sense of determination mixed with anger that characterized the first opposition rallies in ten months. Announced at their joint press conference on Friday, 2 December, this weekend's SOPI Alliance offensive on behalf of "respect for democratic liberties" and "an end to President Abdou Diouf's government" revealed the inconsistency of certain decisions on the part of the authorities.

Meeting In Thies

It is difficult to comprehend how Saturday's LD-MPT rally was authorized and the PDS rally for the following day was banned "without any prior notice," according to Mr. Ousmane Ngom, that party's spokesman. Of note at the LD-MPT rally at the low-cost housing projects was the fact that it was twice interrupted by gun shots, fired the first time from a unidentifiable taxicab. The second interruption occurred as Abdoulaye Bathily, the LD's secretary general, was speaking. The gun shots created a panic.

According to Mr. Bathily, the guns used were "German made, of a sort used by the police and the national guard." In his eyes there was no doubt that the people involved were "provocateurs sent by the Socialist Party [PS]." And he raised the threat of "having the right to respond." "If the party continues to disrupt our rallies, it won't be able to hold any more rallies or any more closed-door meetings." Aside from these interruptions, there is nothing new under the sun. Bathily and Ousmane Ngom drew a catastrophic picture of the economic situation and denounced "corruption and diversions of public funds by the ministers of Abdou Diouf's government."

The PDS rally did not take place on Sunday, 10 December. Instead, after several exchanges of fire with law enforcement officials, party leaders called for a march from 25th Street to party headquarters located opposite the Independence Obelisk.

Opening the Sluice Gates

To shouts of "Abdou Diouf, resign," the march reached its objective peaceably, whereupon demonstrators received their orders from the Ousmane Ngom, Abdoulaye Bathily, Boubacar Sall troika. After issuing "an historic challenge to the PS in Thies," the latter told the thousands of demonstrators "you are the people, the best law." If calm had prevailed up to that point, it was tempting fate to tell militants to go into downtown Dakar where a Socialist l'arty rally (or rather a small meeting) was being held. There, after several rocks were thrown between PS militants and the forces of law and order made up of night watchmen from the African Security Agency (ASA) on the one hand and "SOPIsts" on the other, the police came in and separated the two camps.

There was already nothing left of the meeting but the leaders. For a few minutes, the neighborhood reestablished the hot post-election period's atmosphere.

At the rate things are going, anything can happen and the country could see a return to the cycle of violence it witnessed several months ago. If last Saturday's LD-MPT rally produced no trouble, the banning of the PDS rally just about degenerated had it not been for the cold composure of the Medina police commissioner and his men.

Besides, Senegal is not in an "exceptional" situation to prescribe the public expression of liberties. There is no better way of making tensions rise a bit higher. Ousmane Ngom made no mistake about it: "It was better than a rally, together with the Senegalese Democratic Alliance's [ADS], it was the first march since July 1985." The next test of the government's predictive ability and the SOPI Alliance's sense of responsibility will be Saturday in Thies, where it all started in 1988.

* Tension Predicted After AJ/MRDN Ban 34190049B Dakar SUD HEBDO in French 14 Dec 89 p 3

[Commentary by D. Ndiaye: "Tension Coming"]

[Text] After last weekend's start-up of opposition activities (Democratic League-Movement for the Labor Party), it is now AJ/MRDN's (AND-JEF/Revolutionary Movement for the New Democracy) turn to turn up the heat.

In its "Appeal to the population" dated 8 December, AJ/MRDN has denounced what it calls "(the government's) offensive against the working world and political parties as it vainly seeks to muzzle democratic forces." Landing Savane's organization sees the "arbitrary" arrest "of Madior Sokhna Ndiaye, a SOPI [newspaper] journalist, the sham trial of Khoureyssi Ba, and the banning of their 4 November rally" as just so many anti-opposition moves orchestrated by the government. Furthermore, AJ/MRDN, which had decided to organize a second rally on 16 December in the wake of the

banning of its first rally, has just been slapped with a new ban. Faced with such a situation, AJ/MRDN has appealed to "all democrats to come in large numbers to the square in front of the mosque at the Niary Tally Factory for a demonstration to protest the banning of the rally and call for the resignation of the Diouf-Collin government."

All indications are that Senegal is once again poving towards a horrific cycle of violence. That is, unless the government plays the game by not systematically refusing to permit rallies by the opposition.

* Business Criticizes Customs Fraud Effort 34190050A Dakar SUD HEBDO in French 23 Nov 89 p 5

[Article by H. Ba: "Customs and External Commerce Warring"]

[Text] The customs bureau and the commerce ministry are openly at war over an import surveillance program. Customs has the backing of several leading business figures, while the Ministry of External Trade is getting quiet support from multinational cargo verification experts such as the General Supervision Company (SGS) and Veritas Socotec. How did it all start? On 4 July 1983 an interministerial council on external trade agreed in principle to implement a strategy of effective import inspection and verification, in order to put an end to fraud that was costing the state some 30 billion [CFA] francs each year. The fraudulent practices assumed many different forms: over invoicing, illicit capital transfers, failure to repatriate hard currency earnings, understatement of the value of products imported, dumping, etc. To deal with the chronic difficulties described by the commerce minister, the government needed a monitoring program to verify the value of imports both at origin and at destination, in other words at embarkation and again after offloading. The commerce minister at the time, Mr Abdourahmane Toure, argued that such a program required the services of a private multinational company with branches everywhere around the world. The director general of customs, who rejected the idea, claimed import monitoring was his own responsibility and demanded more resources to carry out the job. The dispute between the two agencies reached an impasse, with the foreign trade ministry concluding that customs could not possibly provide adequate verification at embarkation-not only because it lacked the resources, but also because of the wide geographic dispersion of Senegal's suppliers. The minister of state dropped the project, telling the interested parties: "there are too many pressures on this issue; we'll take another look at it later on." And indeed there were enough conflicting pressures to turn it into a rather explosive issue. Fairly substantial sums of money were reportedly passed under the table to secure a government contract for one of the multinationals. Family members of certain prominent regime officials made suspiciously frenzied efforts to

meddle in the affair. Customs and the importers' lobby, not to be outdone, spurred their own networks into action.

In the end the "fishy" affair was shelved by the ever present Collin. End of round one. Years went by, and things changed. There was a new commerce minister, Seydina Oumar Sy. Finding this notorious affair still on his hands, he initially kept his distance. Now he has reopened it, and like his predecessor he is stubbornly insisting on employing overseas agents. The minister of state wants to resolve the matter quickly "for the good of the nation." The lines of battle have been redrawn just as they were in the good old days: the multinationals are in favor, while customs and the business community are opposed.

Customs is against the project for several reasons. Economic and financial conditions have changed greatly since 1983. In the meantime the customs service has been computerized, the minimum tariff rate has recently been increased, and the use of market price-lists has been growing. Moreover, for the last few months a dozen customs officials have been posted abroad, in the countries where most of Senegal's imports originate, to monitor and verify the values claimed at the point of embarkation. According to customs, the existing system will be adequate once additional resources and manpower are allocated to the assessment division and enforcement mechanisms are strengthened. As for the employers, they are openly hostile to the commerce ministry plan.

An employers' association document maintains that "the operations of import surveillance companies (SGS, Veritas, etc.) we have observed in the subregion add substantially to the cost of imports and have introduced an additional bureaucracy that does more harm than good." As an alternative, the employers suggest a strengthening of the customs service, more coordination between customs and the treasury, and consultations with experts in the various sectors concerned.

The employers contend that imports generally take three months longer to arrive when verification is handled by overseas companies. They argue that the delay has a direct financial impact on the importer, and thus on the cost of living, since a portion of the surcharge is passed on to consumers. Despite these many objections, the minister of commerce and the director of external commerce remain convinced that only the overseas companies can handle the job effectively. A battle is currently raging between the two camps, and within the executive branch the knives have been drawn. "Remember, we are talking about a large market. If the plan is adopted and a one-percent surcharge is added to all imports to pay for the services of a surveillance company, the annual cost would be staggering, perhaps as much as 5 billion," says one expert.

In conclusion, effective import control is still a critical issue, since fraudulent practices cheat the government out of a great deal of revenue. The ideal solution is

probably to beef up customs (or rather its assessment division) and the other enforcement agencies. Then, after a period of adjustment, come back and assess how effectively customs is doing the job. At the same time, there should be increased supervision and inspection of customs procedures in the field. If none of these measures solves the problem...

* IMF Official Praises Civil Service Cut Plan 34190049C Dakar SUD HEBDO in French 23 Nov 89 pp 4-5

[Interview with Michael Gillette, director of the World Bank's Sahel department, by Hussein Ba of SUD HEBDO; date and place not given]

[Text] In an interview he granted to SUD HEBDO, Mr. Michae'. Gillette, the director of the World Bank's Sahel department, denies the existence of a crisis between his institution and the Government of Senegal. He gives his opinion on the civil service cut plan, which he says is "a courageous and wise act." Mr. Gillette also expresses his point of view on the disparities between the benefits of public and private sector workers, changes in the investment code and customs duties, political and social instability, the conflict between Senegal and Mauritania, and austerity efforts which, in his view, should be shared.

[SUD HEBDO] Is there a cloud hanging over relations between the World Bank and the Government of Senegal? It is being said that the state minister, the secretary general to the president, had to go to Washington to cope with a crisis that reportedly arose because Senegal was not abiding by its commitments.

[Gillette] The Senegalese Government has faithfully abided by all of its commitments toward us. To be sure, there was a short pause devoted to thinking about making the adjustment more thorough. Rumors to the effect that World Bank payments have been halted do not reflect the truth. The truth is that adjustment is difficult and complicated. We are ready to support the Government of Senegal in a consistent fashion but it must closely define the plan.

[SUD HEBDO] A plan to trim the fat out of the civil service has been proposed by the government. Carrying it out will require mobilizing large amounts of money, whereas, the target figure would seem to be small in comparison with what the World Bank is asking for. What comment do you have on this problem?

[Gillette] We view this plan as just one step. What we find encouraging is the fact that this is the first time the Senegalese have accepted the idea of trimming the fat out of the civil service. It's a courageous and wise act. We have not yet examined the plan in depth, so I can't yet say whether it's perfect or not. The plan has just been submitted to our offices and we are in the process of examining it. There will be negotiations with the government in the very near future. The formula for voluntary

departures seems to me a wiser course of action, [particularly] if you look at examples in other countries where people were brutally thrown out of work, which created more problems than it solved. You see, we are even opposed to such brutal departures. Of course, the necessary financing is important but soon there will be a meeting of Senegal's lenders to examine the problem. The financing of such a plan must be carried out under calm conditions.

[SUD HEBDO] The government has just amended the investment code and the labor unions are talking of an attack on social benefits, whereas, employers find the new arrangements inadequate.

[Gillette] I very much admired the effort the government expended to get this project through. I'm very pleased with it. Certainly every sector will not assess this in the same way, but we believe that indispensable reforms are at stake. Are these measures inadequate? We shall see if they prompt growth in the industrial sector, but for the time being I cannot make a guarantee of success since habits are hard to fight. These reforms are just one step in a direction we think is desirable.

[SUD HEBDO] The government has also increased customs duties, it says, to increase its receipts. Experts believe this measure raises new questions about the direction of the industry sectorial plan, a plan inspired by your bank.

[Gillette] The government was faced with receipts problems. Something had to be done and it chose to increase customs duties. But I would have preferred to see it cut down its expenses. We do not see eye to eye with the government and believe it made a bad choice on this subject.

[SUD HEBDO] Public opinion is frustrated by the unequal distribution of the side effects of adjustment and the austerity effort that has been imposed on the less fortunate, whereas at the top, habits have not changed. Hasn't the time come to start at the top to give an example of austerity?

[Gillette] Exactly, austerity must be experienced by everyone when it is imposed before growth starts up again, that being by far the preferable solution. I think the government will now move in this direction, though I don't yet know precisely how it will do this. I am certain the government will make a major contribution to collective efforts towards modesty.

[SUD HEBDO] It would appear that the World Bank is not satisfied with just cutting down the size of the civil service but is also calling for cuts in benefits to civil service workers in relation to private sector workers.

[Gillette] We hope there will be increasingly greater parity of treatment between private and public sector workers in all areas. We cannot see why public sector employees should enjoy better protection than private sector workers. Nevertheless, this parity should also

extend to salaries. Public sector employees must be paid the way their private sector colleagues are.

[SUD HEBDO] For some time Senegal has been experiencing a period of political and social instability. It appears lenders are very put out by this and have asked the government to put matters in order. But doesn't this risk turning into authoritarian excess?

[Gillette] The World Bank has chosen no model political system. Personally I am in favor of an open yet stable system. It's difficult to promote economic growth when things are in chaos. I do not find the two ideas contradictory. There can be pluralism and stability at the same time; that is more desirable. It's the best possible combination.

[SUD HEBDO] The conflict between Senegal and Mauritania persists. The World Bank is one of the lenders to the dams. What do you think of this grave matter?

[Gillette] I am saddened by this situation, seeing peoples who cope with some of the world's hardest economic situations break off relations and find themselves in conflict. I very much hope relations of all sorts will be restored between the two countries. A breathing spell is necessary so that energy can be renewed for Senegal River Development Organization [OMVS] programs in which we have all invested a great deal of money.

* Swiss Provide Balance-of-Payments Grant 34190044A Dakar LE SOLEIL in French 20 Dec 89 p 3

[Text] Strengthening the cooperation between Senegal and Switzerland was at the center of the short speeches marking the signing ceremony of a nonreimbursable grant agreement signed on 19 December 1989 in Dakar. This grant, which amounts to 10 million Swiss francs (1.9 billion CFA [African Financial Community] francs), is to support Senegal's balance of payments as part of its structural adjustment.

The contribution of the Swiss Government, which will be administered by the World Bank, will make it possible to finance the import of goods and services for priority sectors (energy, health, etc).

According to Serigne Lamine Diop, the Senegalese minister of economy and finance, with this grant, the Helvetic Confederation has expressed its desire to support adequately Senegal's economic policy. Furthermore, he recalled that bilateral cooperation has been developing for some years in a spirit of solidarity and understanding. Serigne Lamine Diop further added: "Despite an international economic situation, which is not always favorable, Switzerland is standing alongside Senegal in its fight against underdevelopment." He also thanked the Swiss Government and its people on behalf of the Senegalese chief of state for "the constant attention they continue to give to Senegal's preoccupations."

As for Pierre Barraz, the Swiss ambassador to Dakar, he reiterated the desire of his country to support "the courageous efforts of the Senegalese Government and its people." The diplomat also recalled that his country had already intervened twice, in 1986 and 1987, to ensure funds totaling 5 billion CFA francs, but, he added, it is the first time that a bilateral agreement has been signed between Switzerland and Senegal.

At the end, Barraz expressed his conviction that bilateral cooperation will become stronger.

* Debt to FRG Forgiven; Relations Praised 34190044B Dakar LE SOLEIL in French 3-4 Dec 89 p 2

[Mouhamadou M. Dia interviews Harald Ganns, director for West and Central African affairs at the FRG Ministry of Foreign Affairs; date not given; first paragraph is LE SOLEIL introduction]

[Excerpts] Harald Ganns, the director of West and Central African affairs at the FRG Ministry of Foreign Affairs, who is touring our subregion, was willing to talk to us informally about recent developments in Eastern Europe, the EEC-ACP [African, Caribbean and Pacific States (associated with the EEC)] negotiations, Namibia, and the bilateral cooperation between Senegal and the FRG. We publish the interview below.

[Dia] What is your assessment of the existing relations of cooperation between Senegal and the FRG, and of the efforts accepted by Dakar in order to move away from the crisis?

[Ganns] I will begin by stating that I have come to Senegal after residing in Burkina. My visit to your country may first be explained by the nostalgia I had for it. In fact, I was a student at the University of Dakar between 1963 and 1965. I have visited Senegal several times, the last time in 1987 during a conference of my country's ambassadors accredited to the subregion. I must add that I first accompanied our minister of foreign affairs to the Ivory Coast, Ghana, and Guinea. This trip is justified by our current desire to have high-level political contacts following the establishment of important economic ties. To that end, our president of the republic visited certain African countries last year.

To be sure, we are currently concentrating on Namibia for historical reasons understood by everyone.

With regard to your first question, I must specify that there never were problems with our bilateral relations established a long time ago between our two countries. On a political level, contacts remained strong and fruitful, the proof being the repeated visits of Senegalese chiefs of state to West Germany. Our bilateral relations are, therefore, unclouded. In multilateral situations, our positions have always met those of others. The economic cooperation is very stable. Intergovernmental negotiations on the subject recently took place in Bonn. With

the exception of small normal problems, which is to be expected, everything is going well in that sector, too. It is important to stress the excellence of our cultural relations. We have not developed such relations in that sector with all countries. The Goethe Institute settled in Senegal and the teaching of German is rather extensive in both secondary schools and the university.

As for your second question, we feel that Senegal's decision to implement a structural adjustment program is wise. It had to be made. Substantial results have already been noted at a macroeconomic level. Therefore, the chosen track is good. The only thing needed is to take into consideration the social aspects of the structural adjustment program.

As far as my country is concerned, we vouch our support. The decision to forgive Senegal's public debt to the FRG has been taken. The sum thus forgiven amounts to \$150 million (approximately 5 billion CFA francs). Through this gesture, the Bonn government is trying to encourage Senegal in its economic recovery efforts.

[Dia] The Africans are somewhat anxious. Their anxiety is magnified by the echoes of the difficult negotiations between the EEC and the ACPs in the signing of the Lome Agreement (Lome IV). The difficulty arises from the possible decision of the West European countries to become more interested in East Europe where the new political context opens a gigantic market more advantageous to private Western concerns. Are not the difficulties encountered during the EEC-ACP negotiations proof that the risk is real?

[Ganns] I do not agree completely. The EEC-ACP negotiations preceded the developments noted in East Europe. These negotiations were always difficult in the past. My opinion is that the agreement will be signed anyway. Furthermore, even though there are difficulties, there already are agreements on many issues, such as the STABEX [Export Stabilization Fund], the interdiction to export toxic waste to Africa, and the respect of human rights. Two subjects of disagreement have delayed things, namely, the entry of ACP products into the EEC. On that issue, the FRG endorses opening the European market to the products of the ACP countries. Other countries are reticent. Our position is also valid for the great 1993 market.

The remaining issue pertains to the financial endowment. My country endorses a reasonable solution. All the wishes of the ACP countries cannot be fulfilled. The FRG's reticence is understandable since it is contributing the most (26 percent). If there is an increase, it will pay even more.

Secondly, some European countries have a privileged partnership with certain African countries. The FRG cooperates with all the countries and gives them aid. For example, Bonn is the Western capital where there is the greatest number of African embassies. It is solicited by everyone.

Finally, our multilateral commitments have increased, which leads the Ministry of Finance to look into requests more closely. But once again, the debate on the endowment of the Lome Agreement has nothing to do with developments in Eastern Europe. [passages omitted]

* Japanese Gift To Build Central Fish Market 34190044C Dakar LE SOLEIL in French 30 Nov 89 p 3

[Article by Marie Louise Benga: "A Big Fish Market in Dakar"]

[Text] Minister of Finance Serigne Lamine Diop and Mitsuhei Murata, the Japanese ambassador to Senegal, signed and exchanged notes at the Ministry of Finance on the afternoon of 29 November 1989. It pertains to a Japanese gift amounting to approximately 1.200 billion yens, or 2.800 billion CFA francs, for the construction of a central fish market in Dakar.

Serigne Lamine Diop lauded the dynamism of the Japanese cooperation in our country. In fact, the number of notes exchanged and signed by our two countries are innumerable. This is the eighth one since the beginning of the year, not counting the many nonreimbursable subventions to support the country's efforts at development, emphasized the minister of economy and finance.

Finally, he also recalled that cooperation with Japan is all the more interesting because it covers a great variety of sectors (fishing, agriculture, communications, health, etc).

As for Mitsuhei Murata, the Japanese ambassador to Senegal, he related the dynamism of the Japanese cooperation in Senegal to the crisis being experienced by our country. Its economy should be given more encouraging prospects. Thus, he stated, Japan will contribute fully to this encouragement by collaborating in the concrete development measures being courageously carried out by the Senegalese Government.

Within this development, he ranked fishing high in the diversified cooperation between our two countries. In fact, according to the ambassador, fishing occupies the most dynamic sector of the Senegalese economy in terms of production, employment, and earning power. Consequently, Japan granted this sector nonreimbursable subventions amounting to more than 10 billion CFA francs. In conclusion, Mitsuhei Murata declared: "Today it involves giving to all the capable and courageous seafaring workers the support of Japan, my country, where fishing also maintains an important segment of the active population."

* Accord on Debt Rescheduling Signed With UK 34190044D Dakar LE SOLEIL in French 30 Nov 89 p 3

[Text] The first debt agreement concluded by Great Britain, based on the terms of Toronto's special concessions, was finalized by the Government of Senegal last week. Minister of Economy and Finance Serigne Lamine Diop put this agreement into effect on 25 November by an exchange of notes with the British charge d'affaires to Dakar, His Excellency Robert Scott Dewa.

Senegal is the first country with which Great Britain finalized this kind of special agreement for the rescheduling of the debt, since the formulation of the Toronto terms, which indicates the closeness of the relations of friendship and cooperation existing between the two countries.

Let us recall that, last May, the United Kingdom had granted Senegal a credit subvention amounting to 1 billion CFA [Central African francs] francs. By so doing, the United Kingdom intended to show its support of the Senegalese structural adjustment program.

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